

EOG Resources, Inc.
P.O. 1910
Vernal, UT 84078

July 7, 2005

Utah Division of Oil, Gas, & Mining
1594 West North Temple, Suite 1210
P.O. Box 145801
Salt Lake City, UT 84114-5801

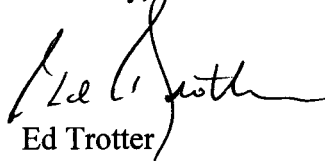
RE: APPLICATION FOR PERMIT TO DRILL
SOUTH CHAPITA 17-3
SE/NW, SEC. 3, T10S, R23E
UINTAH COUNTY, UTAH
LEASE NO.: UTU-80613
FEDERAL LANDS

Enclosed please find a copy of the Application for Permit to Drill and associated attachments for the referenced well.

Please address further communication regarding this matter (including approval) to:

Ed Trotter
P.O. Box 1910
Vernal, UT 84078
Phone: (435)789-4120
Fax: (435)789-1420

Sincerely,



Ed Trotter
Agent
EOG Resources, Inc.

Attachments

RECEIVED

JUL 13 2005

DIV. OF OIL, GAS & MINING

S. Chapita 17-3 B

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

APPLICATION FOR PERMIT TO DRILL OR REENTER

FORM APPROVED
OMB No. 1004-0137
Expires March 31, 2007

5. Lease Serial No.

UTU-80613

6. If Indian, Allottee or Tribe Name

7. If Unit or CA Agreement, Name and No.

8. Lease Name and Well No.

SOUTH CHAPITA 17-3

9. API Well No.

43-047-36903

10. Field and Pool, or Exploratory

NATURAL BUTTES

11. Sec., T., R., M., or Blk. and Survey or Area

**SEC. 3, T10S, R23E,
S.L.B.&M.**

12. County or Parish

UINTAH

13. State

UTAH

17. Spacing Unit dedicated to this well

320

20. BLM/BIA Bond No. on file

NM-2308

23. Estimated duration

45 DAYS

1a. Type of Work: ☒ DRILL

☐ REENTER

1b. Type of Well: ☐ Oil Well ☒ Gas Well ☐ Other ☐ Single Zone ☒ Multiple Zone

2. Name of Operator

EOG RESOURCES, INC.

3a. Address **P.O. BOX 1815**

VERNAL, UT 84078

3b. Phone No. (Include area code)

(435)789-0790

4. Location of Well (Report location clearly and in accordance with any State requirements. *)

At surface **2038' FNL, 2099' FWL 643940X 39.979680**

At proposed prod. Zone **4426653Y SE/NW 109.314315**

14. Distance in miles and direction from nearest town or post office*

30.14 MILES SOUTHEAST OF OURAY, UTAH

15. Distance from proposed*

location to nearest
property or lease line, ft. **2038'**
(Also to nearest drig. Unit line, if any)

16. No. of Acres in lease

642

18. Distance from proposed location*

to nearest well, drilling, completed,
applied for, on this lease, ft. See Topo Map C

19. Proposed Depth

8315'

21. Elevations (Show whether DF, KDB, RT, GL, etc.)

5379.7 FEET GRADED GROUND

22. Approximate date work will start*

UPON APPROVAL

Attachments

The following, completed in accordance with the requirements of Onshore Oil and Gas Order No. 1, shall be attached to this form:

1. Well plat certified by a registered surveyor.

2. A Drilling Plan.

3. A Surface Use Plan (if the location is on National Forest System Lands, the
SUPO shall be filed with the appropriate Forest Service Office).

4. Bond to cover the operations unless covered by an existing bond on file
(see Item 20 above).

5. Operator certification.

6. Such other site specific information and/or plans as may be required
by the authorized officer.

25. Signature

Title

Agent

Name (Printed/Typed)

Ed Trotter

Date

July 7, 2005

Approved by (Signature)

Title

Name (Printed/Typed)

**BRADLEY G. HILL
ENVIRONMENTAL SCIENTIST III**

Date

07-18-05

Office

Application approval does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to
conduct operations thereon.

Conditions of Approval, if any, are attached.

Title 18 U.S.C. Section 1001 and Title 43 U.S.C. Section 1212, make it a crime for any person knowingly and willfully to make to any department or agency of the
United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

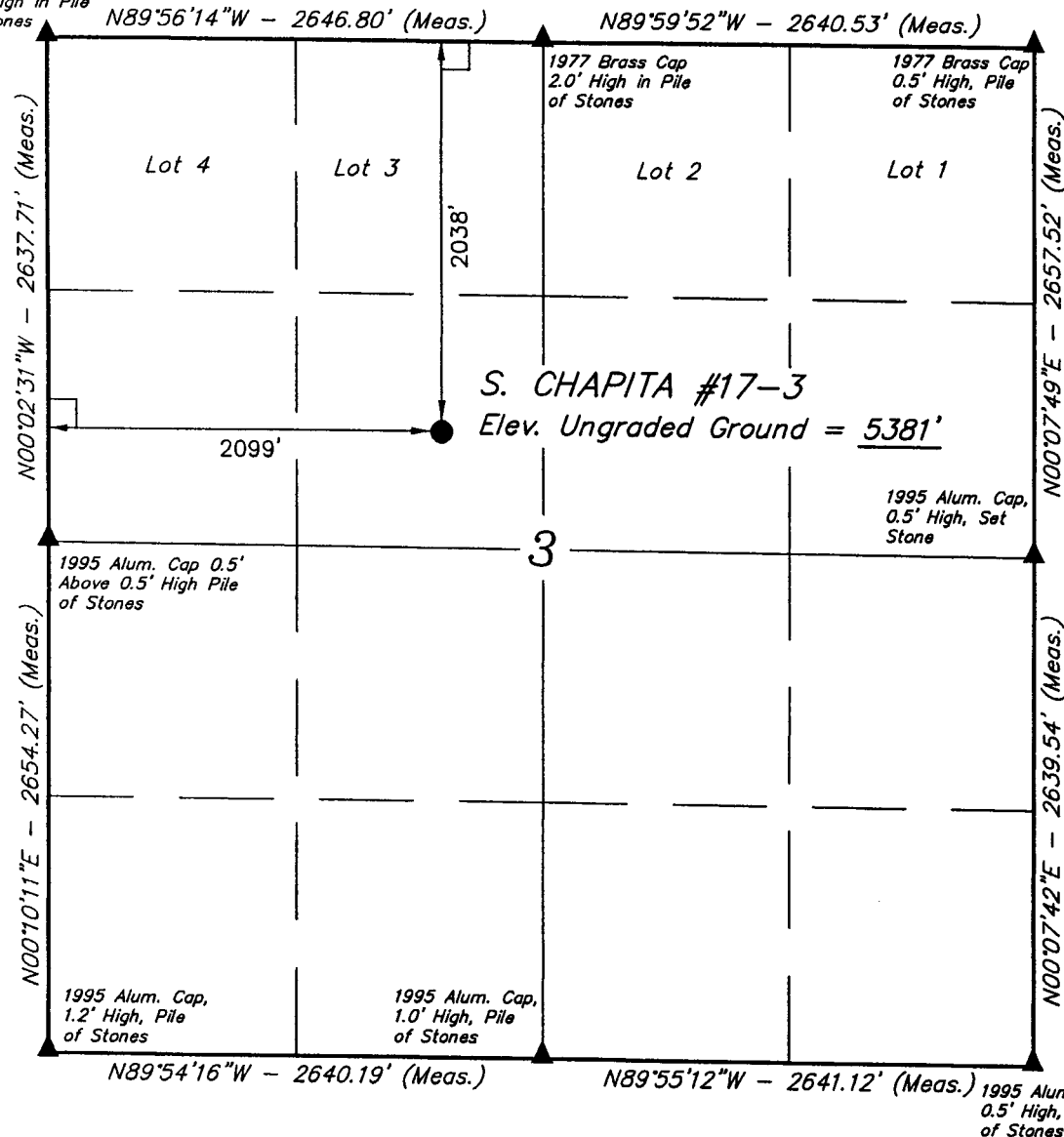
*(Instructions on page 2)

**Federal Approval of this
Action is Necessary**

RECEIVED
JUL 13 2005
DIV. OF OIL, GAS & MINING

T10S, R23E, S.L.B.&M.

1977 Brass Cap
1.0' High in Pile
of Stones



LEGEND:

└─┘ = 90° SYMBOL

● = PROPOSED WELL HEAD.

▲ = SECTION CORNERS LOCATED.

(AUTONOMOUS NAD 27)

LATITUDE = 39°58'46.73" (39.979647)

LONGITUDE = 109°18'51.57" (109.314325)

EOG RESOURCES, INC.

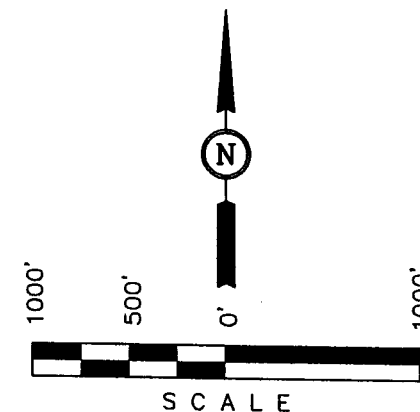
Well location, S. CHAPITA #17-3, located as shown in the SE 1/4 NW 1/4 of Section 3, T10S, R23E, S.L.B.&M. Uintah County, Utah.

BASIS OF ELEVATION

BENCHMARK 58 EAM (1965) LOCATED IN THE NE 1/4 OF SECTION 30, T9S, R23E, S.L.B.&M. TAKEN FROM THE RED WASH SE, QUADRANGLE, UTAH, UTAH COUNTY 7.5 MINUTE QUAD. (TOPOGRAPHIC MAP) PUBLISHED BY THE UNITED STATES DEPARTMENT OF THE INTERIOR, GEOLOGICAL SURVEY. SAID ELEVATION IS MARKED AS BEING 5132 FEET.

BASIS OF BEARINGS

BASIS OF BEARINGS IS A G.P.S. OBSERVATION.



CERTIFICATE

THIS IS TO CERTIFY THAT THE ABOVE PLAT WAS PREPARED FROM FIELD NOTES OF ACTUAL SURVEYS MADE BY ME OR UNDER MY SUPERVISION AND THAT THE SAME ARE TRUE AND CORRECT TO THE BEST OF MY KNOWLEDGE AND BELIEF.

Robert A. May

REGISTERED LAND SURVEYOR
REGISTRATION NO. 161319
STATE OF UTAH

UINTAH ENGINEERING & LAND SURVEYING
85 SOUTH 200 EAST - VERNAL, UTAH 84078
(435) 789-1017

| | | |
|--------------------------|-----------------------------|-------------------------|
| SCALE 1" = 1000' | DATE SURVEYED: 02-16-04 | DATE DRAWN: 03-02-04 |
| PARTY G.O. G.M. D.COX | REFERENCES G.L.O. PLAT | |
| WEATHER COLD | FILE EOG RESOURCES, INC. | |

EIGHT POINT PLAN
SOUTH CHAPITA 17-3
SE/NW, SEC. 3, T10S, R23E, S.L.B.&M.
UINTAH COUNTY, UTAH

1. & 2. ESTIMATED TOPS & ANTICIPATED OIL, GAS, & WATER ZONES:

| FORMATION | DEPTH (KB) |
|------------------------|-------------------|
| Green River | 1,543' |
| Wasatch | 4,170' |
| North Horn | 6,038' |
| Island | 6,305' |
| KMV Price River | 6,579' |
| KMV Price River Middle | 7,100' |
| KMV Price River Lower | 7,746' |
| Sego | 8,217' |

Estimated TD: 8,315' or 200'± below Sego top

Anticipated BHP: 4,540 Psig

3. PRESSURE CONTROL EQUIPMENT:

Production Hole – 5000 Psig
BOP schematic diagrams attached.

4. CASING PROGRAM:

| <u>HOLE SIZE</u> | <u>INTERVAL</u> | <u>LENGTH</u> | <u>SIZE</u> | <u>WEIGHT</u> | <u>GRADE</u> | <u>THREAD</u> | <u>RATING FACTOR</u> | | |
|-------------------------|------------------------|----------------------|--------------------|----------------------|---------------------|----------------------|-----------------------------|---------------------|-----------------------|
| | | | | | | | <u>COLLAPSE</u> | <u>BURST</u> | <u>TENSILE</u> |
| 12-1/4" | 0' – 2,300'KB± | 2,300'± | 9-5/8" | 36.0# | J-55 | ST&C | 2020 Psi | 3520 Psi | 394,000# |
| 7-7/8" | 2,300'± – TD | 8,315± | 4-1/2" | 11.6# | N-80 | LT&C | 6350 Psi | 7780 Psi | 223,000# |

Note: 12-1/4" surface hole will be drilled to a total depth of 200'± below the base of the Green River lost circulation zone and cased w/9-5/8" as shown to that depth. Drilled depth may be shallower or deeper than the 2300' shown above depending on the actual depth of the loss zone.

All casing will be new or inspected.

5. Float Equipment:

Surface Hole Procedure (0' - 2300'±)

Guide Shoe

Insert Float Collar (PDC drillable)

Centralizers: 1-5' above shoe, top of jts. #2 and #3 then every 5th joint to surface. (15 total)

Production Hole Procedure (2300'± - TD):

Float shoe, 1 joint casing, float collar and balance of casing to surface. 4-1/2", 11.6#, N-80 or equivalent marker collars or short casing joints to be placed at top of Price River and 400' above top of Wasatch. Centralizers to be placed 5' above shoe on joint #1, top of joint #2, and every 2nd joint to 400' above Wasatch Island top. (50± total). Thread lock float shoe, top and bottom of float collar, and top of 2nd joint.

EIGHT POINT PLAN
SOUTH CHAPITA 17-3
SE/NW, SEC. 3, T10S, R23E, S.L.B.&M.
UINTAH COUNTY, UTAH

6. MUD PROGRAM

Surface Hole Procedure (Surface - 2300'±):

Air/air mist or aerated water.

Production Hole Procedure (2300'± - TD): Anticipated mud weight 9.5 – 10.5 ppg depending on actual wellbore conditions encountered while drilling.

2300'± - TD A closed mud system will be utilized. A bentonite gelled water mud system will be used to control viscosity w/PHPA polymer used for supplemental viscosity and clay encapsulation/inhibition. Water loss will be maintained at <15cc's using white starch or PAC. Bactericides will be used as needed. Anticipated pH will range from 9.0-10.0. Mud weight will be adjusted as necessary for well control. Deflocculants/thinners will be used as necessary to maintain mud quality. LCM sweeps will be utilized as necessary to control lost circulation and mud loss. CO2 contamination, if encountered, will be treated with lime and gypsum.

7. VARIANCE REQUESTS:

EOG Resources, Inc. requests a variance to regulations requiring the blooie line to be 100' in length. To reduce location excavation, the blooie line will be approximately 75' in length.

8. EVALUATION PROGRAM:

Logs: Mud log from base of surface casing to TD. Cased hole evaluation logs will be run in lieu of open hole logs.

9. CEMENT PROGRAM:

Surface Hole Procedure (Surface - 2300'±):

Lead: Class "G" cement with 16% Gel, 10 #/sx Gilsonite, 3% Salt, 2% CaCl₂, 3 lb/sx GR3 ¼ #/sx Flocele mixed at 11 ppg, 3.82 ft³/sk. yield, 23 gps water.

Tail: Class "G" cement with 2% CaCl₂, ¼#/sk Flocele mixed at 15.6 ppg, 1.18 ft³/sk., 5.2 gps water.

Top Out: As necessary with Class "G" cement with 2% CaCl₂, ¼#/sk Flocele mixed at 15.6 ppg, 1.18 ft³/sk., 5.2 gps water.

Note: Cement volumes will be calculated to bring lead cement to surface and tail cement to 500' above the casing shoe.

EIGHT POINT PLAN
SOUTH CHAPITA 17-3
SE/NW, SEC. 3, T10S, R23E, S.L.B.&M.
UINTAH COUNTY, UTAH

CEMENT PROGRAM (Continued):

Production Hole Procedure (2300'± - TD)

Lead: 410 sks: 35:65 Poz "G" w/4% D20 (Bentonite), 2% D174 (Extender), 0.2% D65 (Dispersant), 0.2% D46 (Antifoam), 0.75% D112 (Fluid Loss Additive), 0.200% D13 (Retarder), 0.25 pps D29 (cello flakes) mixed at 13.0 ppg, 1.75 ft³/sk., 9.19 gps water.

Tail: 545 sks: 50:50 Poz "G" w/ 2% D20 (Bentonite), 0.1% D46 (Antifoam), 0.075% D13 (Retarder), 0.2% D167 (Fluid Loss Additive), 0.2% D65 (Dispersant), mixed at 14.1 ppg, 1.28 ft³/sk., 5.9gps water.

Note: Number of sacks is based on gauged hole calculation.
Lead volume to be calculated to bring cement to 200'± above 9-5/8" casing shoe. Tail volume to be calculated to bring cement to 400'± above top of Wasatch.

10. ABNORMAL CONDITIONS:

Surface Hole (Surface - 2300'±):

Lost circulation

Production Hole (2300'± - TD):

Sloughing shales, lost circulation and key seat development are possible in the Wasatch Formation.

11. STANDARD REQUIRED EQUIPMENT:

- A. Choke Manifold
- B. Kelly Cock
- C. Stabbing Valve
- D. Visual Mud Monitoring

12. HAZARDOUS CHEMICALS:

No chemicals subject to reporting under SARA title III in an amount equal to or greater than 10,000 pounds will be used, produced, stored, transported, or disposed of annually in association with the drilling of this well. Furthermore, no extremely hazardous substances, as defined in 40 CFR 355, in threshold planning quantities, will be used, produced, stored, transported, or disposed of in association with the drilling of this well.

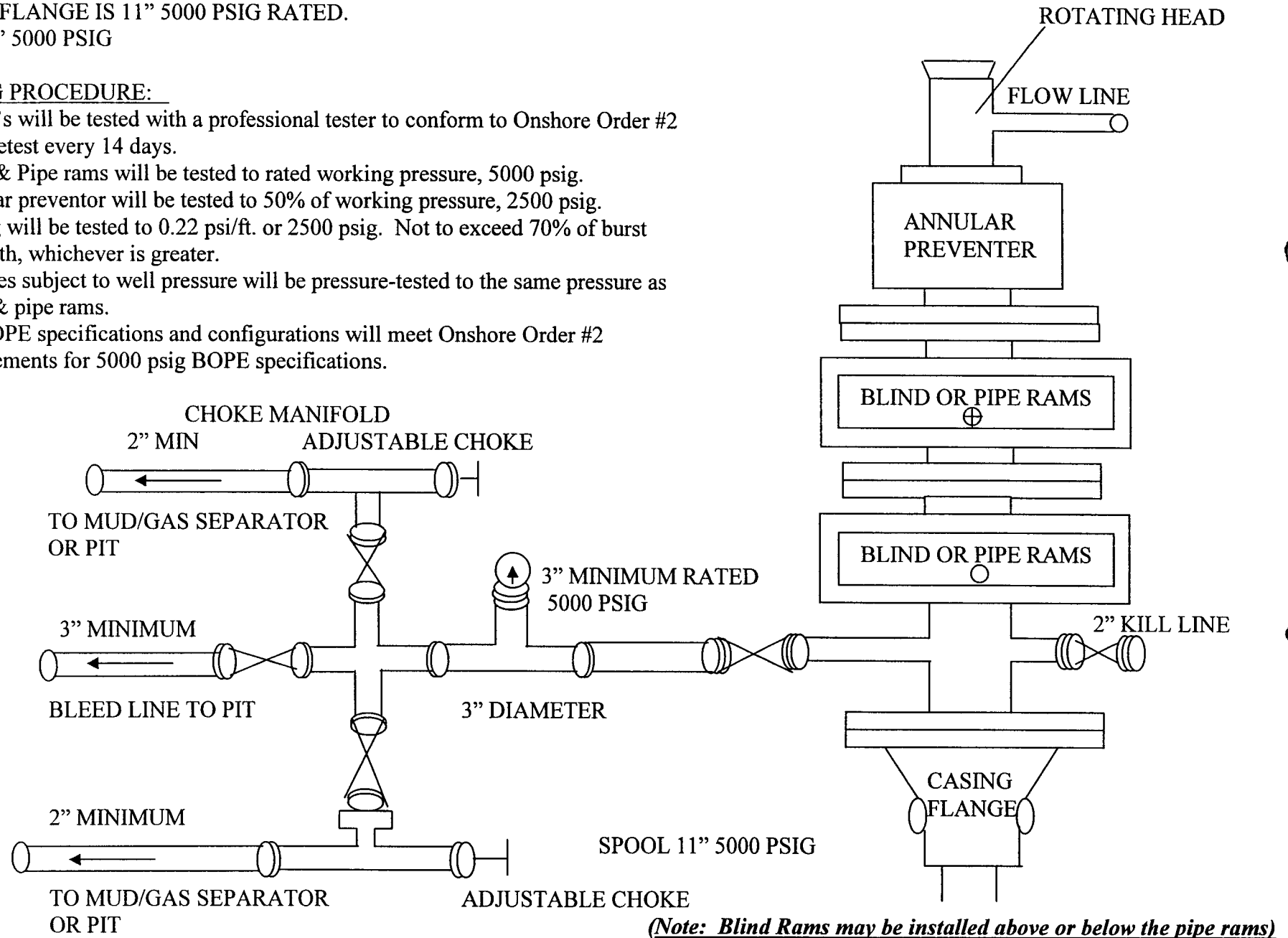
(Attachment: BOP Schematic Diagram)

5000 PSIG DIAGRAM

ANNULAR PREVENTOR AND BOTH RAMS ARE 5000 PSIG RATED.
CASING FLANGE IS 11" 5000 PSIG RATED.
BOPE 11" 5000 PSIG

TESTING PROCEDURE:

1. BOPE's will be tested with a professional tester to conform to Onshore Order #2 with retest every 14 days.
2. Blind & Pipe rams will be tested to rated working pressure, 5000 psig.
3. Annular preventor will be tested to 50% of working pressure, 2500 psig.
4. Casing will be tested to 0.22 psi/ft. or 2500 psig. Not to exceed 70% of burst strength, whichever is greater.
5. All lines subject to well pressure will be pressure-tested to the same pressure as blind & pipe rams.
6. All BOPE specifications and configurations will meet Onshore Order #2 requirements for 5000 psig BOPE specifications.



**CONDITIONS OF APPROVAL
FOR THE SURFACE USE PROGRAM OF THE
APPLICATION FOR PERMIT TO DRILL**

| | |
|---------------------|---|
| Company/Operator: | <u>EOG Resources, Inc.</u> |
| Well Name & Number: | <u>South Chapita 17-3</u> |
| Lease Number: | <u>UTU-80613</u> |
| Location: | <u>2038' FNL & 2099' FWL, SE/NW, Sec. 3, T10S, R23E, S.L.B.&M., Uintah County, Utah</u> |
| Surface Ownership: | <u>Federal</u> |

NOTIFICATION REQUIREMENTS

Location Construction - forty-eight (48) hours prior to construction of location and access roads.

Location Completion - prior to moving on the drilling rig.

Spud Notice: - at least twenty-four (24) hours prior to spudding the well.

Casing String and
Cementing - twenty-four (24) hours prior to running casing and cementing all casing strings.

BOP and related
Equipment Tests - twenty-four (24) hours prior to running casing and tests.

First Production
Notice - within five (5) business days after new Well begins or production resumes after Well has been off production for more than ninety (90) days.

For more specific details on notification requirements, please check the Conditions of Approval for Notice to Drill and Surface Use Program.

THIRTEEN POINT SURFACE USE PROGRAM

1. EXISTING ROADS

- A. See attached Wellsite Plats showing directional reference stakes on location, and attached TOPO Map "B" showing access to location from existing roads.
- B. The proposed well site is located approximately 30.14 miles southeast of Ouray, Utah - See attached TOPO Map "A".
- C. Refer to attached Topographic Map "A" showing labeled access route to location.
- D. Existing roads will be maintained and repaired as necessary. No off lease Right-of-Way will be required.

2. PLANNED ACCESS ROAD

- A. The access road will be approximately 200 feet in length. See attached TOPO Map "B".
- B. The access road has a 30 foot ROW w/ 18 foot running surface.
- C. Maximum grade on access road will be 8%.
- D. No turnouts will be required.
- E. Road drainage crossings shall be of the typical dry creek drainage crossing type.
- F. No culverts, bridges, or major cuts and fills will be required.
- G. The access road will be dirt surface.
- H. No gates, cattleguards, or fences will be required or encountered.

New or reconstructed roads will be centerlined - flagged at time of location staking.

The road shall be upgraded to meet the standards of the anticipated traffic flow and all-weather road requirements. Upgrading shall include ditching, drainage, graveling, crowning, and capping the roadbed as necessary to provide a well-constructed safe road. Prior to upgrading, the road shall be cleared of any snow cover and allowed to dry completely. Traveling off the 30 foot Right-of-Way will not be allowed.

Road drainage crossings shall be of the typical dry creek drainage crossing type. Crossings shall be designed so they will not cause siltation or accumulation of debris in the drainage crossings nor shall the drainages be blocked by the roadbed. Erosion of drainage ditches by run off water shall be prevented by diverting water off at frequent intervals by means of cutouts. Upgrading shall not be allowed during muddy conditions. Should mud holes develop, they shall be filled in and detours around them avoided.

As operator, EOG Resources, Inc. shall be responsible for all maintenance on cattleguards, or gates associated with this oil and/or gas operation.

3. **LOCATION OF EXISTING WELLS WITHIN A ONE MILE RADIUS OF PROPOSED WELL LOCATION**

- A. Abandoned wells - 1*
- B. Producing wells - 5*
- C. Shut in wells - 1*

(*See attached TOPO map "C" for location)

4. **LOCATION OF EXISTING AND/OR PROPOSED FACILITIES**

A. **ON WELL PAD**

- 1. Production facilities will be set on location if the well is successfully completed for production. Facilities will consist of wellhead valves, combo separator-dehy unit with meter, 300 Bbl vertical or 200 Bbl low profile, condensate tank, and attaching piping.
- 2. Gas gathering lines - A 4" gathering line will be buried from dehy to the edge of the location.

B. **OFF WELL PAD**

- 1. Proposed location of attendant off pad flowlines shall be flagged prior to archaeological clearance.
- 2. A 4" OD steel above ground natural gas pipeline will be laid approximately 970' from proposed location to a point in the SE/NW of Section 3, T10S, R23E, where it will tie into Questar Pipeline Co.'s existing line. Proposed pipeline crosses Federal lands, thus a Right-of-Way grant will be required.
- 3. Proposed pipeline will be a 4" OD steel, welded line laid on the surface.
- 4. Protective measures and devices for livestock and wildlife will be taken and/or installed where required.

If storage facilities/tank batteries are constructed on this lease, the facility/battery or the well pad shall be surrounded by a containment dike of sufficient capacity to contain, at a minimum, the entire contents of the largest tank within the facility/battery.

The production facilities will be placed on the West side of the location.

All permanent (on site for six months or longer) structures constructed or installed (including pumping units) will be painted a flat, non-reflective, earthtone color to match one of the standard environmental colors, as determined by the Rocky Mountain Five State Interagency Committee. All facilities will be painted within 6 months of installation. Facilities

required to comply with O.S.H.A. (Occupational Safety and Health Act) will be excluded.

The required paint color is Carlsbad Canyon.

If at any time the facilities located on public land and authorized by the terms of the lease are no longer included in the lease (due to a contraction in the unit or other lease or unit boundary change), BLM will process a change in authorization to the appropriate statute. The authorization will be subject to appropriate rental or other financial obligation as determined by the authorized officer.

5. LOCATION & TYPE OF WATER SUPPLY

- A. Water supply will be from Ouray Municipal Water Plant at Ouray, Utah, and/or Target Trucking Inc.'s water source in the SW/SW, Sec. 35, T9S, R22E, Uintah County, Utah (State Water Right #49-1501). Produced water from the Chapita Wells and Stagecoach Units will also be used.
- B. Water will be hauled by a licensed trucking company.
- C. No water well will be drilled on lease.

6. SOURCE OF CONSTRUCTION MATERIAL

- A. All construction material for this location and access road will be of native borrow and soil accumulated during the construction of the location.
- B. All construction material will come from Federal Land.
- C. No mineral materials will be required.

7. METHODS OF HANDLING WASTE DISPOSAL

A. METHODS AND LOCATION

- 1. Cuttings will be confined in the reserve pit.
- 2. A portable toilet will be provided for human waste during the drilling and completion of the well. Disposal will be at the Vernal sewage disposal plant.
- 3. Burning will not be allowed. Trash and other waste material will be contained in a wire mesh cage and disposed of at the Uintah County Landfill.
- 4. Produced wastewater will be confined to a lined pit or storage tank for a period not to exceed 90 days after initial production. After the 90 day period, the produced water will be contained in a tank on location and then disposed of at one of the following three locations: Natural Buttes Unit 21-20B SWD, Ace Disposal, or EOG Resources, Inc. drilling operations (Chapita Wells Unit, Natural Buttes Unit & Stagecoach Unit).

5. All chemicals will be disposed of at an authorized disposal site. Drip pans and absorbent pads will be used on the drilling rig to avoid leakage of oil to the pit.
- B. Water from drilling fluids and recovered during testing operations will be disposed of by either evaporating in the reserve pit or be removed and disposed of at an authorized disposal site. Introduction of well bore hydrocarbons to the reserve pit will be avoided by flaring them off in the flare pit at the time of recovery.

On BLM administered land:

The reserve pit will be constructed so as not to leak, break, or allow discharge. If the reserve pit requires padding prior to lining (due to rocky conditions) felt padding will be used.

The reserve pit shall be lined with felt and a 12 millimeter plastic liner.

8. **ANCILLARY FACILITIES**

- A. No airstrips or camps are planned for this well.

9. **WELLSITE LAYOUT**

- A. Refer to attached well site plat for related topography cuts and fills and cross sections.
- B. Refer to attached well site plat for rig layout and soil material stockpile location as approved on On-site.
- C. Refer to attached well site plat for rig orientation, parking areas, and access road.
- D. The approved seed mixture for this location is:
 - Wyoming Big Sage – 3 pounds per acre
 - Gardner Salt Bush – 3 pounds per acre
 - Indian Rice Grass – 2 pounds per acre
 - Hi-Crest Crested Wheat Grass – 1 pound per acre
 - Shad Scale – 3 pounds per acre.

The reserve pit will be located on the Northwest corner of the location. The flare pit will be located downwind of the prevailing wind direction on the North side of the location, a minimum of 100 feet from the well head and 30 feet from the reserve pit fence.

The stockpiled pit topsoil will be stored separate from the location topsoil East of Corners B and 5. The stockpiled location topsoil will be stored Southeast and West of Corner #6. Upon completion of construction, the stockpiled topsoil from the location will be broadcast seeded with the approved seed mixture for this location and then walked down with a Caterpillar tractor.

Access to the well pad will be from the East.

Corners #2 & #6 will be rounded off to minimize excavation.

FENCING REQUIREMENTS:

All pits will be fenced according to the following minimum standards:

- A. Thirty-nine inch net wire shall be used with at least one strand of barbed wire on top of the net wire. (Barbed wire is not necessary if pipe or some type of reinforcement rod is attached to the top of the entire fence).
- B. The net wire shall be no more than 2 inches above the ground. The barbed wire strand shall be 3 inches above the net wire. Total height of the fence shall be at least 42 inches.
- C. Corner posts shall be cemented and/or braced in such a manner as to keep the fence tight at all times.
- D. Standard steel, wood, or pipe posts shall be used between the corner braces. Maximum distance between any two posts shall be no greater than 16 feet.
- E. All wire shall be stretched by using a stretching device before it is attached to the corner posts.

The reserve pit fencing will be on the three sides during drilling operations and on the fourth side when the rig moves off the location. Pits will be fenced and maintained until clean-up.

Each existing fence to be crossed by the access road shall be braced and tied off before cutting so as to prevent slacking of the wire. The opening shall be closed temporarily as necessary during construction to prevent the escape of livestock, and, upon completion of construction, the fence shall be repaired to BLM or SMA specifications. A cattleguard with an adjacent 16 foot gate shall be installed in any fence where a road is to be regularly traveled. If the well is a producer, the cattleguards (shall/shall not) be permanently mounted on concrete bases. Prior to crossing any fence located on Federal land, or any fence between Federal land and private land, the operator will contact the BLM, who will in turn contact the grazing permittee or owner of said fence and offer him/her the opportunity to be present when the fence is cut in order to satisfy himself/herself that the fence is adequately braced and tied off.

10. PLANS FOR RESTORATION OF SURFACE

A. PRODUCING LOCATION

Immediately upon well completion, the location and surrounding area will be cleared of all unused tubing, equipment, debris, materials, trash, and junk not required for production.

Immediately upon well completion, any hydrocarbons on the pit shall be removed in accordance with CFR 3162.7-1.
If a plastic nylon reinforced liner is used, it shall be torn and perforated before backfilling of the reserve pit.

The reserve pit and that portion of the location not needed for production facilities/operations will be recontoured to the approximate natural contours. The stockpiled pit topsoil will then be spread over the pit area and broadcast seeded with the prescribed seed mixture for this location. The seeded area will then be walked down with a cat.

B. DRY HOLE/ABANDONED LOCATION

At such time as the well is plugged and abandoned, the operator will submit a subsequent report of abandonment and the BLM will attach the appropriate surface rehabilitation conditions of approval.

11. SURFACE OWNERSHIP

Access road: Federal

Location: Federal

12. OTHER INFORMATION

A. EOG Resources, Inc. will inform all persons in the area who are associated with this project that they are subject to prosecution for knowingly disturbing historic or archaeological sites, or for collecting artifacts. If historic or archaeological materials are uncovered during construction, the operator will immediately stop work that might further disturb such materials, and contact the AO. Within five working days the AO will inform the operator as to:

- whether the materials appear eligible for the National Register of Historic Places;
- the mitigation measures the operator will likely have to undertake before the site can be used.
- a time frame for the AO to complete an expedited review under 36 CFR 800.11 to confirm, through the State Historic Preservation Officer, that the findings of the AO are correct and that mitigation is appropriate.

If the operator wished, at any time, to relocate activities to avoid the expense of mitigation and/or the delays associated with this process, the AO will assume responsibility for whatever recordation and stabilization of the exposed materials that may be required. Otherwise, the operator will be responsible for mitigation costs. The AO will provide technical and procedural guidelines for the conduct of mitigation. Upon verification

from the AO that required mitigation has been completed, the operator will then be allowed to resume construction.

- B. As operator, EOG Resources, Inc. will control noxious weeds along Right-of-Ways for roads, pipelines, well sites, or other applicable facilities. A list of noxious weeds will be obtained from the BLM, or the appropriate County Extension Office. On BLM administered land, a Pesticide Use proposal shall be submitted, and given approval, prior to the application of herbicides or other pesticides or possible hazardous chemicals.
- C. Drilling rigs and/or equipment used during drilling operations on this well site will not be stacked or stored on BLM lands after the conclusion of drilling operations or at any other time without BLM authorization. However, if BLM authorization is obtained, it is only a temporary measure to allow time to make arrangements for permanent storage on commercial facilities. (The BLM does not seek to compete with private industry. There are commercial facilities available for stacking and storing drilling rigs.)

Additional Surface Stipulations

None

LESSEE'S OR OPERATOR'S REPRESENTATIVE AND CERTIFICATION

PERMITTING AGENT

Ed Trotter
P.O. Box 1910
Vernal, UT 84078
Telephone: (435)789-4120
Fax: (435)789-1420

DRILLING OPERATIONS

Donald Presenkowski
EOG Resources, Inc.
P.O. Box 250
Big Piney, WY 83113
Telephone: (307)276-4865

All lease or unit operations will be conducted in such a manner that full compliance is made with all applicable laws, regulations, Onshore Oil and Gas Orders, the approval plan of operations, and any applicable Notice to Lessees. EOG Resources, Inc. is fully responsible for the actions of their subcontractors. A copy of these conditions will be furnished to the field representative to insure compliance.


A copy of the approved APD and ROW grant, if applicable, shall be on location during construction of the location and drilling activities.

Certification

I hereby certify that I, or persons under my direct supervision, have inspected the proposed drillsite and access route; that I am familiar with the conditions that presently exist; that the statements made in the Plan are, to the best of my knowledge, true and correct; and that the work associated with the operations proposed herein will be performed by EOG Resources, Inc. and its contractors and subcontractors in conformity with this Plan and the terms and conditions under which it is approved.

Please be advised that EOG Resources, Inc. is considered to be the operator of the **South Chapita 17-3 Well, located in the SE/NW of Section 3, T10S, R23E, Uintah County, Utah; Lease #UTU-80613;** and is responsible under the terms and conditions of the lease for the operations conducted upon the leased lands. Bond Coverage is provided under Bond #NM 2308.

7-7-2005
Date


Agent

EOG RESOURCES, INC.
S. CHAPITA #17-3
SECTION 3, T10S, R23E, S.L.B.&M.

PROCEED IN A WESTERLY DIRECTION FROM VERNAL, UTAH ALONG U.S. HIGHWAY 40 APPROXIMATELY 14.0 MILES TO THE JUNCTION OF STATE HIGHWAY 88; EXIT LEFT AND PROCEED IN A SOUTHERLY DIRECTION APPROXIMATELY 17.0 MILES TO OURAY, UTAH; PROCEED IN A SOUTHERLY DIRECTION APPROXIMATELY 0.3 MILES ON THE SEEP RIDGE ROAD TO THE JUNCTION OF THIS ROAD AND AN EXISTING ROAD TO THE EAST; TURN LEFT AND PROCEED IN AN EASTERLY DIRECTION APPROXIMATELY 12.3 MILES TO THE JUNCTION OF THIS ROAD AND AN EXISTING ROAD TO THE SOUTH; TURN RIGHT AND PROCEED IN A SOUTHERLY DIRECTION APPROXIMATELY 1.7 MILES TO THE JUNCTION OF THIS ROAD AND AN EXISTING ROAD TO THE EAST; TURN LEFT AND PROCEED IN AN EASTERLY DIRECTION APPROXIMATELY 1.9 MILES TO THE JUNCTION OF THIS ROAD AND AN EXISTING ROAD TO THE SOUTHEAST; TURN RIGHT AND PROCEED IN A SOUTHEASTERLY DIRECTION APPROXIMATELY 0.5 MILES TO THE JUNCTION OF THIS ROAD AND AN EXISTING ROAD TO THE EAST; TURN LEFT AND PROCEED IN AN EASTERLY, THEN SOUTHEASTERLY DIRECTION APPROXIMATELY 3.3 MILES TO THE JUNCTION OF THIS ROAD AND AN EXISTING ROAD TO THE SOUTHWEST; TURN RIGHT AND PROCEED IN A SOUTHWESTERLY DIRECTION APPROXIMATELY 0.7 MILES TO THE JUNCTION OF THIS ROAD AND AN EXISTING ROAD TO THE SOUTH; TURN LEFT AND PROCEED IN A SOUTHERLY DIRECTION APPROXIMATELY 5.1 MILES TO THE JUNCTION OF THIS ROAD AND AN EXISTING ROAD TO THE NORTHEAST; TURN LEFT AND PROCEED IN A NORTHEASTERLY, THEN EASTERLY DIRECTION APPROXIMATELY 3.7 MILES TO THE JUNCTION OF THIS ROAD AND AN EXISTING ROAD TO THE NORTHEAST; TURN LEFT AND PROCEED IN A NORTHEASTERLY DIRECTION APPROXIMATELY 0.4 MILES TO THE JUNCTION OF THIS ROAD AND AN EXISTING ROAD TO THE NORTHWEST; TURN LEFT AND PROCEED IN A NORTHWESTERLY DIRECTION APPROXIMATELY 0.2 MILES TO THE BEGINNING OF THE PROPOSED ACCESS ROAD TO THE SOUTHWEST; FOLLOW ROAD FLAGS IN A SOUTHWESTERLY DIRECTION APPROXIMATELY 200' TO THE PROPOSED LOCATION.

TOTAL DISTANCE FROM VERNAL, UTAH TO THE PROPOSED WELL LOCATION IS APPROXIMATELY 61.1 MILES.

EOG RESOURCES, INC.

S. CHAPITA #17-3

LOCATED IN UINTAH COUNTY, UTAH

SECTION 3, T10S, R23E, S.L.B.&M.

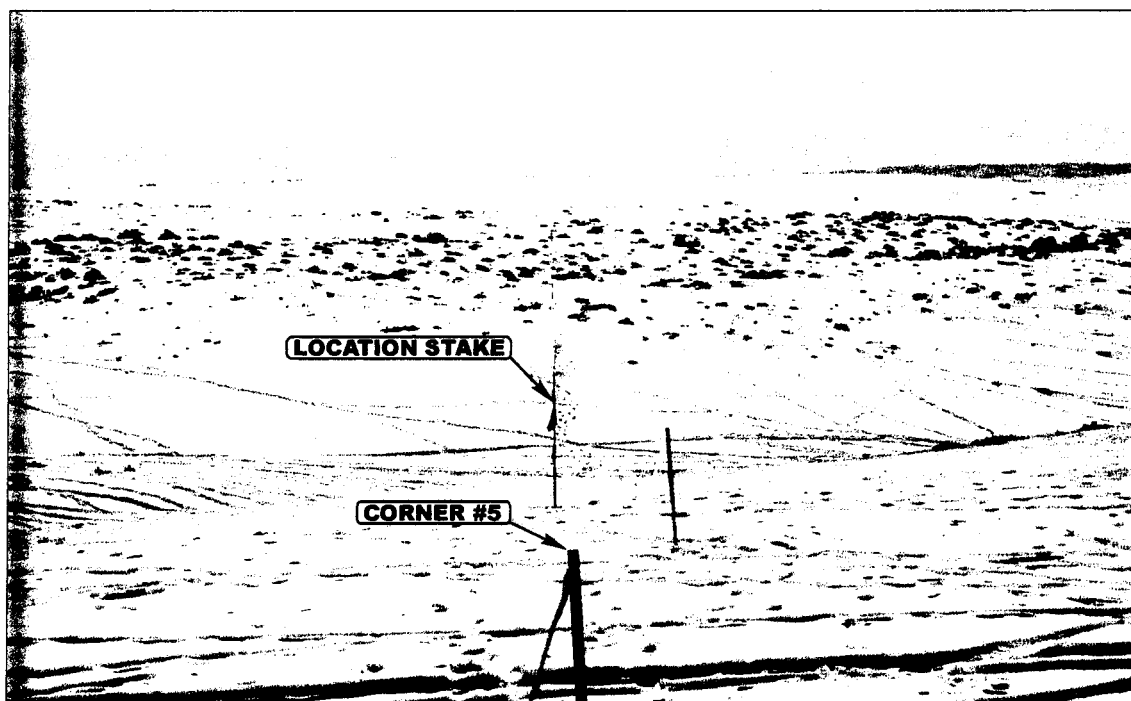


PHOTO: VIEW FROM CORNER #5 TO LOCATION STAKE

CAMERA ANGLE: SOUTHERLY



PHOTO: VIEW FROM BEGINNING OF PROPOSED ACCESS

CAMERA ANGLE: SOUTHWESTERLY



- Since 1964 -

E&LS

Uintah Engineering & Land Surveying

85 South 200 East Vernal, Utah 84078
435-789-1017 uels@uelsinc.com

LOCATION PHOTOS

03
MONTH

02
DAY

04
YEAR

PHOTO

TAKEN BY: G.O.

DRAWN BY: P.M.

REVISED: 00-00-00

UINTAH ENGINEERING & LAND SURVEYING
85 So. 200 East * Vernal, Utah 84078 * (435) 789-1017

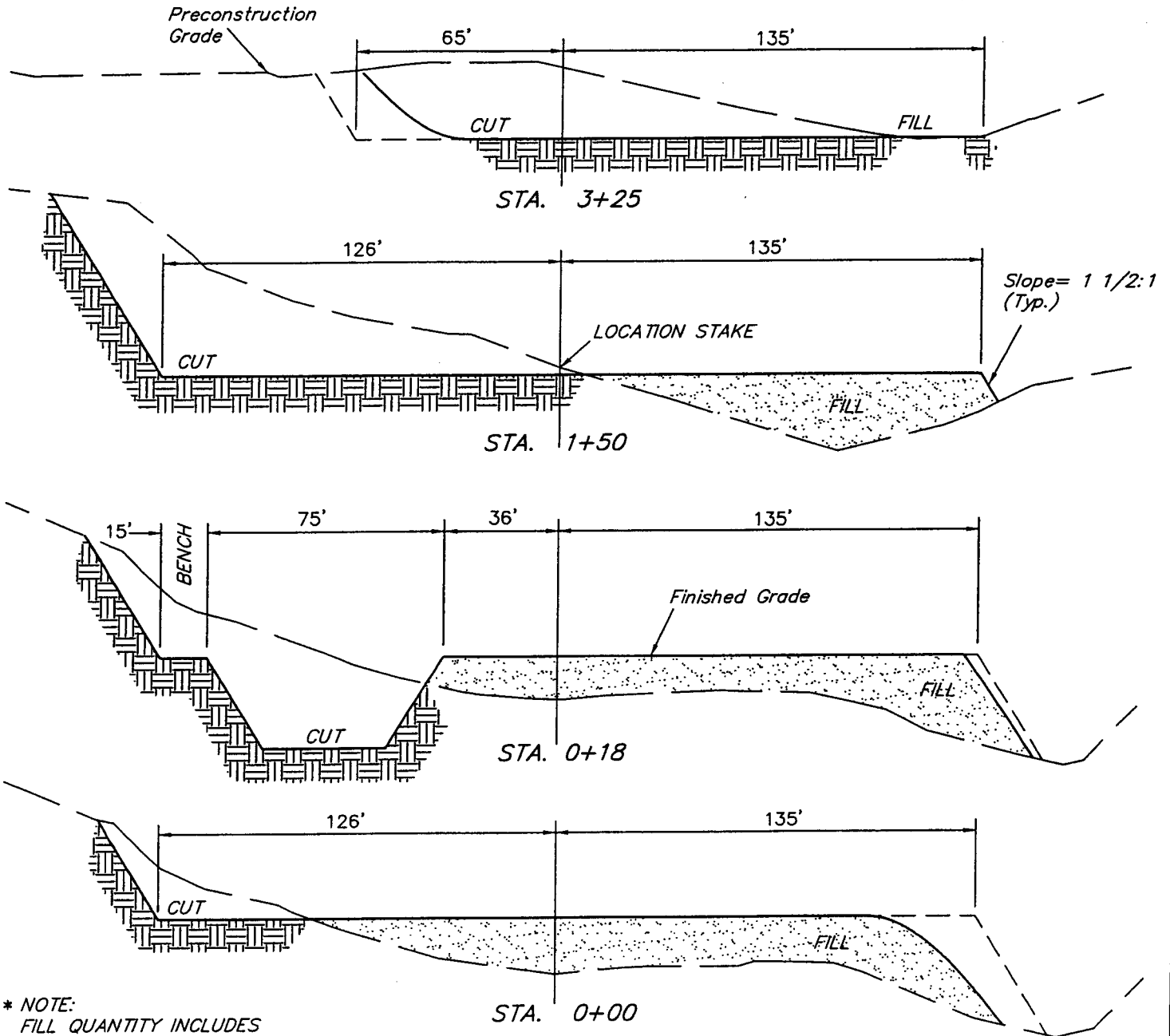
EOG RESOURCES, INC.

TYPICAL CROSS SECTIONS FOR

S. CHAPITA #17-3
SECTION 3, T10S, R23E, S.L.B.&M.
2038' FNL 2099' FWL

1" = 20'
X-Section
Scale
1" = 50'

DATE: 03-03-04
Drawn By: D.COX



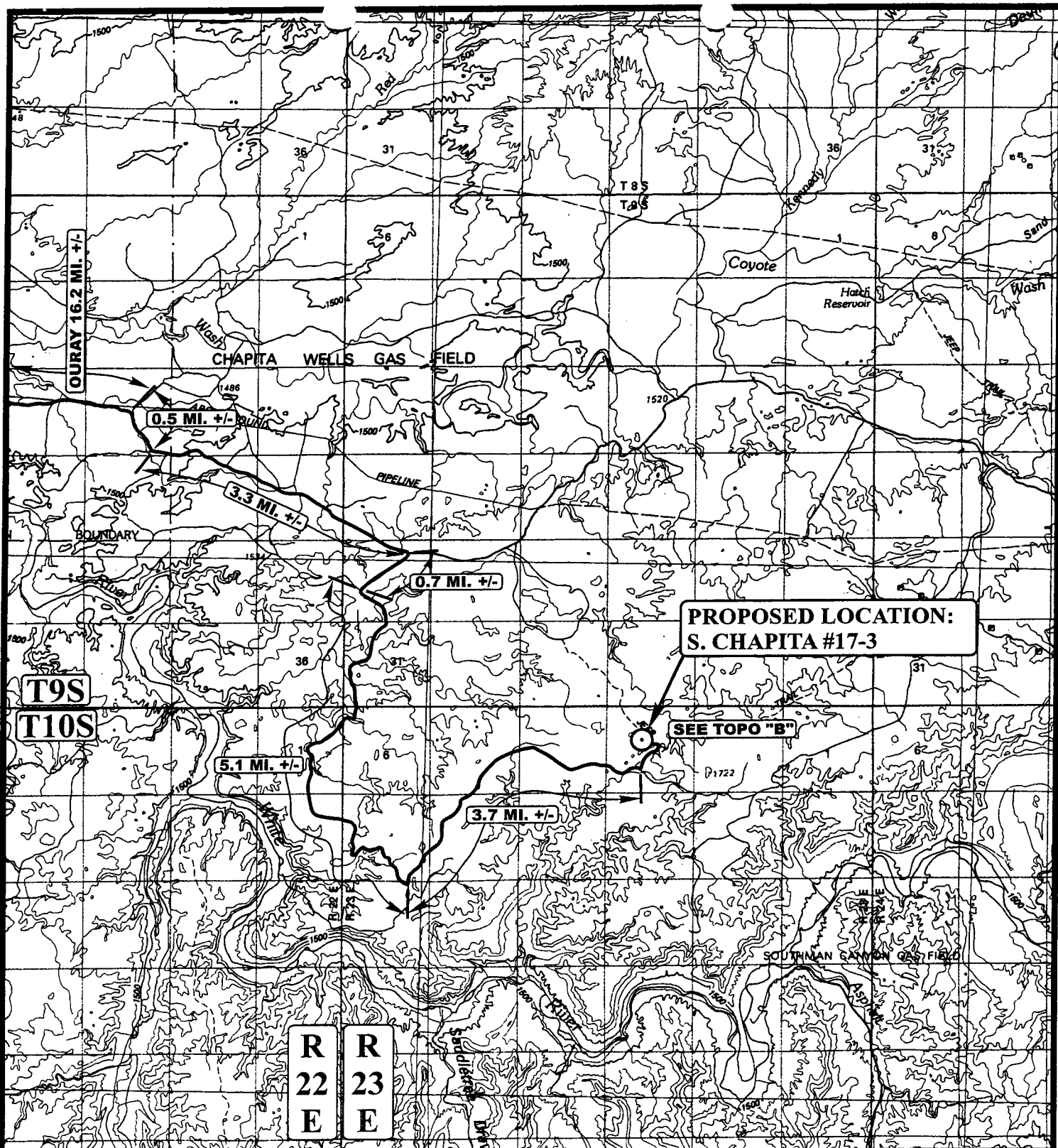
* NOTE:
FILL QUANTITY INCLUDES
5% FOR COMPACTION

APPROXIMATE YARDAGES

| | |
|------------------------|-------------------------|
| (6") Topsoil Stripping | = 1,810 Cu. Yds. |
| Remaining Location | = 11,140 Cu. Yds. |
| TOTAL CUT | = 12,950 CU.YDS. |
| FILL | = 9,480 CU.YDS. |

| | |
|--|------------------|
| EXCESS MATERIAL | = 3,470 Cu. Yds. |
| Topsoil & Pit Backfill (1/2 Pit Vol.) | = 3,470 Cu. Yds. |
| EXCESS UNBALANCE (After Rehabilitation) | = 0 Cu. Yds. |

UINTAH ENGINEERING & LAND SURVEYING
85 So. 200 East * Vernal, Utah 84078 * (435) 789-1017



LEGEND:

○ PROPOSED LOCATION

N

EOG RESOURCES, INC.

S. CHAPITA #17-3

SECTION 3, T10S, R23E, S.L.B.&M.

2038' FNL 2099' FWL



Utah Engineering & Land Surveying
85 South 200 East Vernal, Utah 84078
(435) 789-1017 * FAX (435) 789-1813

TOPOGRAPHIC
MAP

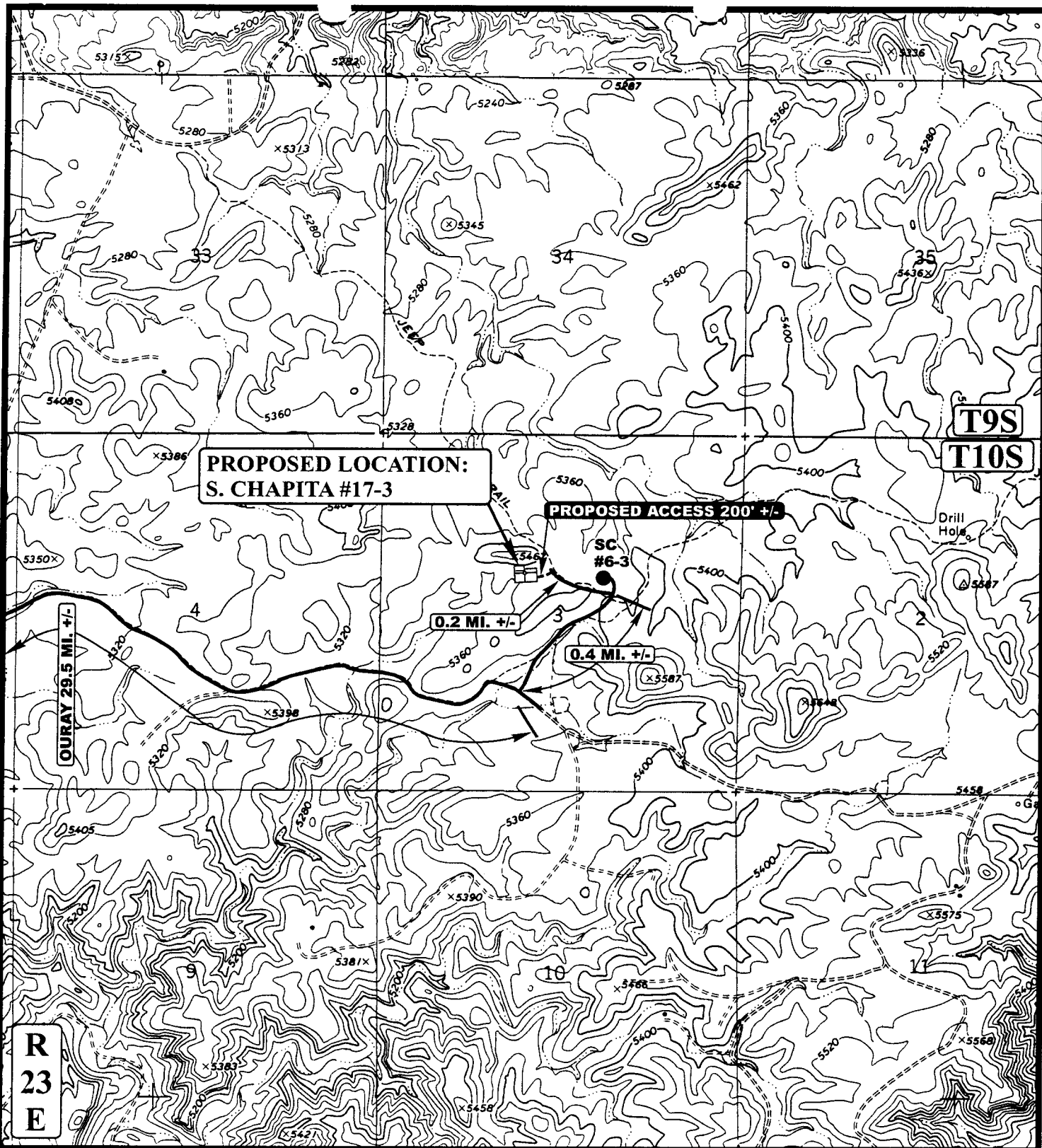
03 02 04
MONTH DAY YEAR

SCALE: 1:100,000

DRAWN BY: P.M.

REVISED: 00-00-00





LEGEND:

————— EXISTING ROAD
 - - - - - PROPOSED ACCESS ROAD

EOG RESOURCES, INC.

S. CHAPITA #17-3
 SECTION 3, T10S, R23E, S.L.B.&M.
 2038' FNL 2099' FWL

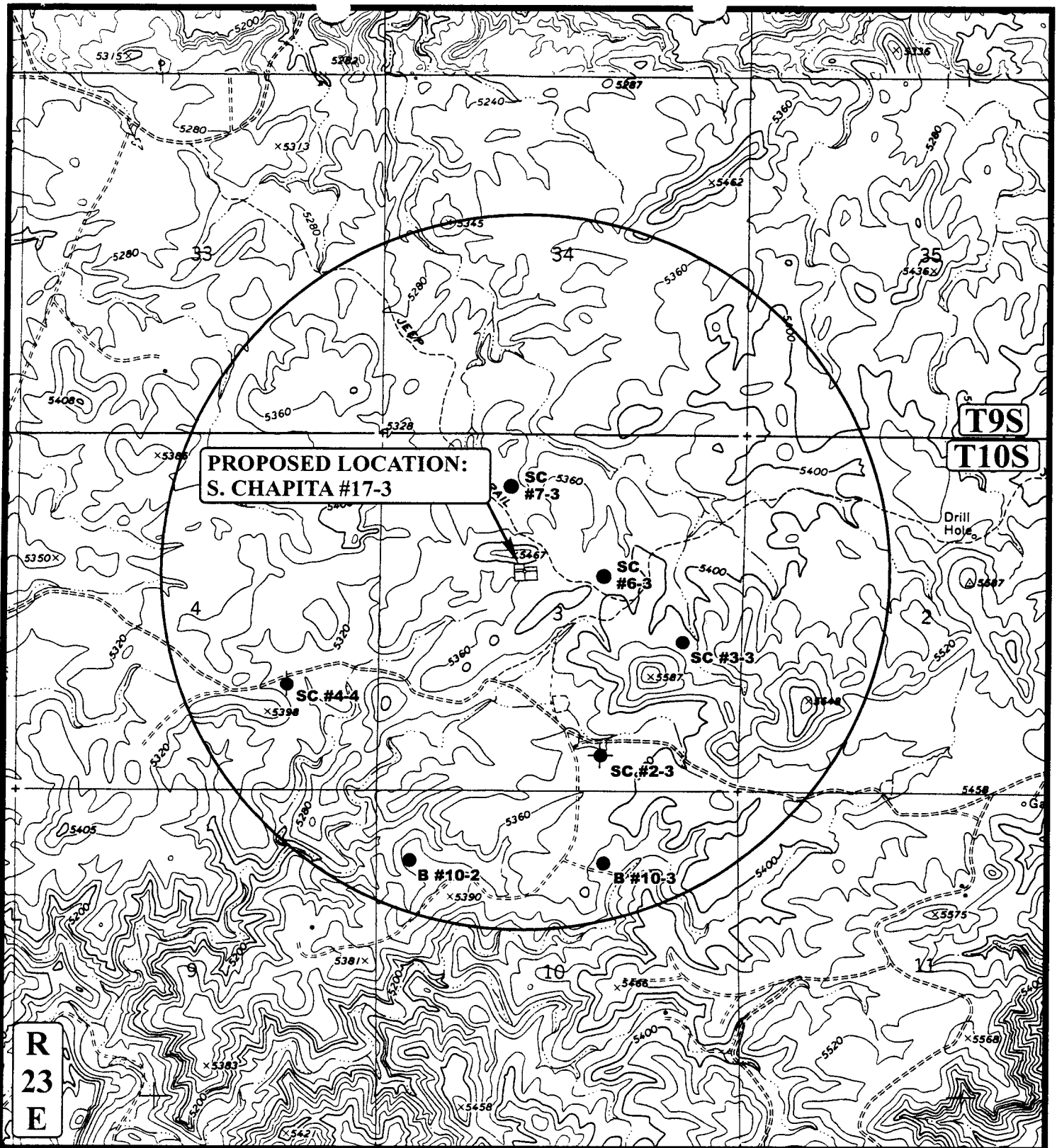


Uintah Engineering & Land Surveying
 85 South 200 East Vernal, Utah 84078
 (435) 789-1017 * FAX (435) 789-1813



TOPOGRAPHIC MAP
 03 02 04
 MONTH DAY YEAR
 SCALE: 1" = 2000' DRAWN BY: P.M. REVISED: 00-00-00





LEGEND:

- | | |
|-------------------|-------------------------|
| ○ DISPOSAL WELLS | ○ WATER WELLS |
| ● PRODUCING WELLS | ● ABANDONED WELLS |
| ● SHUT IN WELLS | ● TEMPORARILY ABANDONED |

EOG RESOURCES, INC.

S. CHAPITA #17-3
SECTION 3, T10S, R23E, S.L.B.&M.
2038' FNL 2099' FWL



Uintah Engineering & Land Surveying
85 South 200 East Vernal, Utah 84078
(435) 789-1017 * FAX (435) 789-1813



TOPOGRAPHIC MAP
03 02 04
MONTH DAY YEAR
SCALE: 1" = 2000' DRAWN BY: P.M. REVISED: 00-00-00



D
TOPO

WORKSHEET
APPLICATION FOR PERMIT TO DRILL

APD RECEIVED: 07/13/2005

API NO. ASSIGNED: 43-047-36903

WELL NAME: S CHAPITA 17-3

OPERATOR: EOG RESOURCES INC (N9550)

CONTACT: ED TROTTER

PHONE NUMBER: 435-789-4120

PROPOSED LOCATION:

SENW 03 100S 230E

SURFACE: 2038 FNL 2099 FWL

BOTTOM: 2038 FNL 2099 FWL

UINTAH

NATURAL BUTTES (630)

LEASE TYPE: 1 - Federal

LEASE NUMBER: UTU-80613

SURFACE OWNER: 1 - Federal

PROPOSED FORMATION: PRRV

COALBED METHANE WELL? NO

INSPECT LOCATN BY: / /

| Tech Review | Initials | Date |
|-------------|----------|------|
| Engineering | | |
| Geology | | |
| Surface | | |

LATITUDE: 39.97968

LONGITUDE: -109.3143

RECEIVED AND/OR REVIEWED:

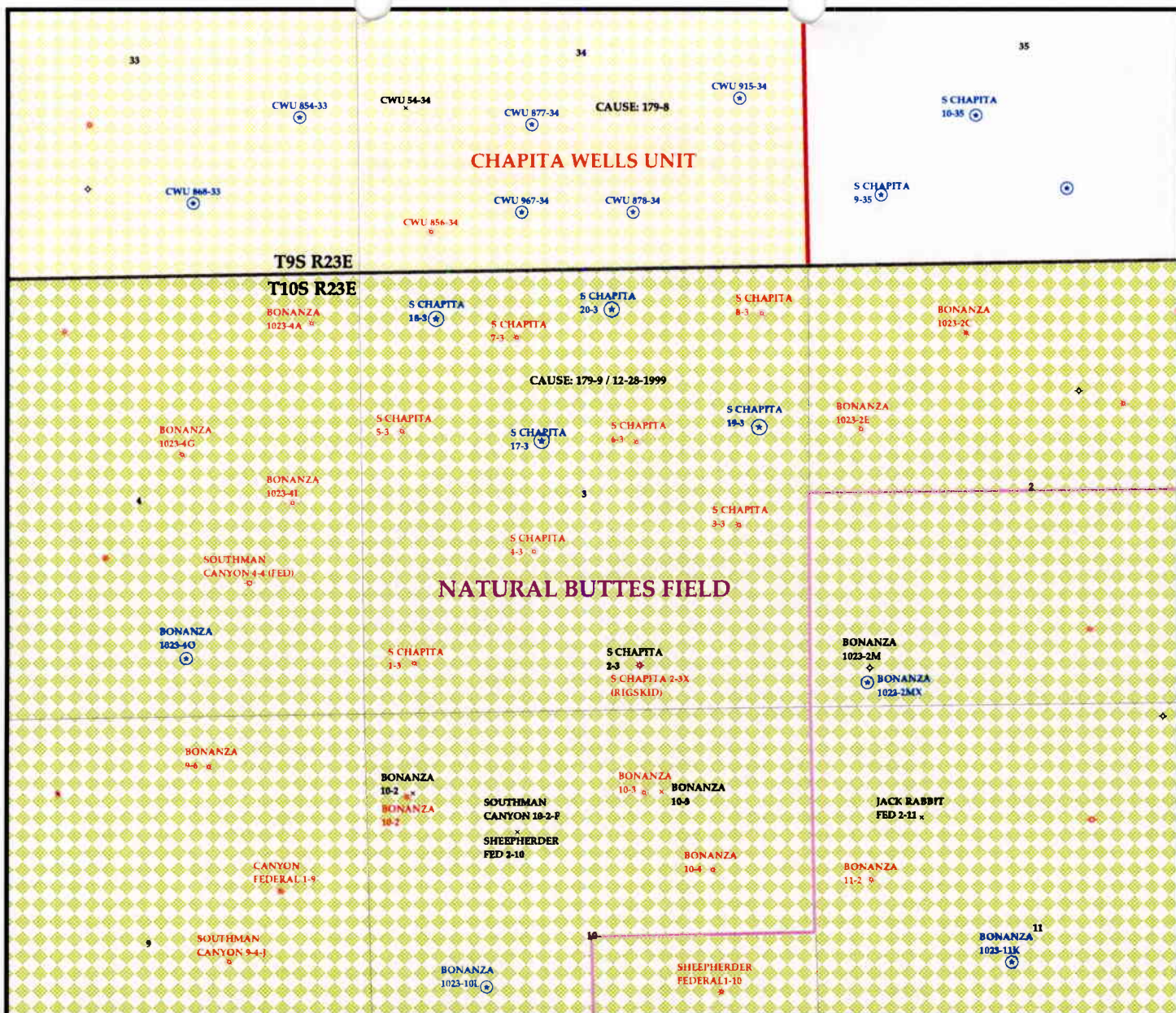
☒ Plat
☒ Bond: Fed[1] Ind[] Sta[] Fee[]
(No. NM-2308)
☒ Potash (Y/N)
☒ Oil Shale 190-5 (B) or 190-3 or 190-13
☒ Water Permit
(No. 49-1501)
☒ RDCC Review (Y/N)
(Date: _____)
☒ Fee Surf Agreement (Y/N)

LOCATION AND SITING:

 R649-2-3.
Unit _____
 R649-3-2. General
Siting: 460' From Qtr/Qtr & 920' Between Wells
 R649-3-3. Exception
☒ Drilling Unit
Board Cause No: 179-9
Eff Date: 12-28-1999
Siting: 460' From Qtr/Qtr & 920' Between Wells
 R649-3-11. Directional Drill

COMMENTS: _____

STIPULATIONS: 1- Federal approved



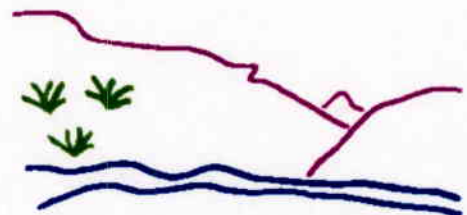
OPERATOR: EOG RESOURCES INC (N9550)

SEC: 3 T. 10S R. 23E

FIELD: NATURAL BUTTES (630)

COUNTY: UINTAH

CAUSE: 179-9 / 12-28-1999



Utah Oil Gas and Mining



PREPARED BY: DIANA WHITNEY
DATE: 15-JULY-2005



State of Utah

**Department of
Natural Resources**

MICHAEL R. STYLER
Executive Director

**Division of
Oil, Gas & Mining**

JOHN R. BAZA
Division Director

JON M. HUNTSMAN, JR.
Governor

GARY R. HERBERT
Lieutenant Governor

July 18, 2005

EOG Resources, Inc.
P O Box 1815
Vernal, UT 84078

Re: South Chapita 17-3 Well, 2038' FNL, 2099' FWL, SE NW,
Sec. 3, T. 10 South, R. 23 East, Uintah County, Utah

Gentlemen:

Pursuant to the provisions and requirements of Utah Code Ann. § 40-6-1 *et seq.*, Utah Administrative Code R649-3-1 *et seq.*, and the attached Conditions of Approval, approval to drill the referenced well is granted.

This approval shall expire one year from the above date unless substantial and continuous operation is underway, or a request for extension is made prior to the expiration date. The API identification number assigned to this well is 43-047-36903.

Sincerely,

Gil Hunt
Acting Associate Director

pab
Enclosures

cc: Uintah County Assessor
Bureau of Land Management, Vernal District Office

Operator: EOG Resources, Inc.
Well Name & Number South Chapita 17-3
API Number: 43-047-36903
Lease: UTU-80613

Location: SE NW **Sec.** 3 **T.** 10 South **R.** 23 East

Conditions of Approval

1. General

Compliance with the requirements of Utah Admin. R. 649-1 *et seq.*, the Oil and Gas Conservation General Rules, and the applicable terms and provisions of the approved Application for permit to drill.

2. Notification Requirements

Notify the Division within 24 hours of spudding the well.

- Contact Carol Daniels at (801) 538-5284.

Notify the Division prior to commencing operations to plug and abandon the well.

- Contact Dan Jarvis at (801) 538-5338

3. Reporting Requirements

All required reports, forms and submittals will be promptly filed with the Division, including but not limited to the Entity Action Form (Form 6), Report of Water Encountered During Drilling (Form 7), Weekly Progress Reports for drilling and completion operations, and Sundry Notices and Reports on Wells requesting approval of change of plans or other operational actions.

4. State approval of this well does not supersede the required federal approval, which must be obtained prior to drilling.

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

JUL 12 2005

APPLICATION FOR PERMIT TO DRILL OR REENTER

1a. Type of Work: ☒ DRILL

☐ REENTER

1b. Type of Well: ☐ Oil Well ☒ Gas Well ☐ Other ☐ Single Zone ☒ Multiple Zone

2. Name of Operator
EOG RESOURCES, INC.

3a. Address **P.O. BOX 1815
VERNAL, UT 84078**

3b. Phone No. (Include area code)
(435)789-0790

4. Location of Well (Report location clearly and in accordance with any State requirements. *)

At surface **2038' FNL, 2099' FWL**

SE/NW

At proposed prod. Zone

14. Distance in miles and direction from nearest town or post office*
30.14 MILES SOUTHEAST OF OURAY, UTAH

15. Distance from proposed*
location to nearest
property or lease line, ft. **2038'**
(Also to nearest drig. Unit line, if any)

16. No. of Acres in lease
642

17. Spacing Unit dedicated to this well
320

18. Distance from proposed location*
to nearest well, drilling, completed,
applied for, on this lease, ft. See Topo Map C

19. Proposed Depth
8315'

20. BLM/BIA Bond No. on file
NM-2308

21. Elevations (Show whether DF, KDB, RT, GL, etc.)
5379.7 FEET GRADED GROUND

22. Approximate date work will start*
UPON APPROVAL

23. Estimated duration
45 DAYS


24. Attachments

Attachments

The following, completed in accordance with the requirements of Onshore Oil and Gas Order No. 1, shall be attached to this form:

1. Well plat certified by a registered surveyor.
2. A Drilling Plan.
3. A Surface Use Plan (if the location is on National Forest System Lands, the SUPO shall be filed with the appropriate Forest Service Office).
4. Bond to cover the operations unless covered by an existing bond on file (see Item 20 above).
5. Operator certification.
6. Such other site specific information and/or plans as may be required by the authorized officer.

25. Signature



Name (Printed/Typed)

Ed Trotter

Date

July 7, 2005

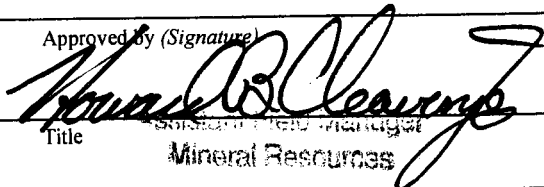
Title

Agent

RECEIVED

DEC 20 2005

Approved by (Signature)



Title

Mineral Resources

Name (Printed/Typed)

DIV. OF OIL, GAS & MINING

Date

12/14/2005

Office

Application approval does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon.

Conditions of Approval, if any, are attached.

Title 18 U.S.C. Section 1001 and Title 43 U.S.C. Section 1212, make it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

*(Instructions on page 2)
NOTICE OF APPROVAL

CONDITIONS OF APPROVAL ATTACHED



**UNITED STATES DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT
VERNAL FIELD OFFICE**

170 South 500 East VERNAL, UT 84078 (435) 781-4400



CONDITIONS OF APPROVAL FOR APPLICATION FOR PERMIT TO DRILL

Company: EOG Resources, Inc.
Well No: South Chapita 17-3
API No: 43-047-36903

Location: SENW, Sec. 3, T10S, R23E
Lease No: UTU-80613
Agreement: N/A

| | | | |
|---|---------------|----------------------------|--------------------|
| Petroleum Engineer: | Matt Baker | Office: 435-781-4490 | Cell: 435-828-4470 |
| Petroleum Engineer: | Michael Lee | Office: 435-781-4432 | Cell: 435-828-7875 |
| Supervisory Petroleum Technician: | Jamie Sparger | Office: 435-781-4502 | Cell: 435-828-3913 |
| Environmental Scientist: | Paul Buhler | Office: 435-781-4475 | Cell: 435-828-4029 |
| Environmental Scientist: | Karl Wright | Office: 435-781-4484 | |
| Natural Resource Specialist: | Holly Villa | Office: 435-781-4404 | |
| Natural Resource Specialist: | Melissa Hawk | Office: 435-781-4476 | |
| After hours contact number: (435) 781-4513 | | FAX: (435) 781-4410 | |

**A COPY OF THESE CONDITIONS SHALL BE FURNISHED TO YOUR
FIELD REPRESENTATIVE TO INSURE COMPLIANCE**

All lease and/or unit operations are to be conducted in such a manner that full compliance is made with the applicable laws, regulations (43 CFR Part 3160), and this approved Application for Permit to Drill including Surface and Downhole Conditions of Approval. The operator is considered fully responsible for the actions of his subcontractors. A copy of the approved APD must be on location during construction, drilling, and completion operations.

NOTIFICATION REQUIREMENTS

| | |
|---|--|
| Location Construction (Notify Paul Buhler) | - Forty-Eight (48) hours prior to construction of location and access roads. |
| Location Completion (Notify Paul Buhler) | - Prior to moving on the drilling rig. |
| Spud Notice (Notify PE) | - Twenty-Four (24) hours prior to spudding the well. |
| Casing String & Cementing (Notify SPT) | - Twenty-Four (24) hours prior to running casing and cementing) all casing strings. |
| BOP & Related Equipment Tests (Notify SPT) | - Twenty-Four (24) hours prior to initiating pressure tests. |
| First Production Notice (Notify PE) | - Within Five (5) business days after new well begins or production resumes after well has been off production for more than ninety (90) days. |

**SURFACE USE PROGRAM
CONDITIONS OF APPROVAL (COAs)**

1. Within 90 calendar days of the approval date for this Application for Permit to Drill (APD), the operator/lessee shall submit to the Authorized Officer (AO), on Sundry Notice Form 3160-5, an Interim Surface Reclamation Plan for surface disturbance on well pads, access roads, and pipelines. At a minimum, this will include the reshaping of the pad to the original contour to the extent possible; the resspreading of the top soil up to the rig anchor points; and, the area reseeded using appropriate reclamation methods. The AO will provide written approval or concurrence within 30 calendar days of receipt.
2. As a Best Management Practice (BMP), the pipeline shall be buried within the identified construction width of an access corridor that contains the access road and pipelines. Exceptions to this BMP may be granted where laterally extensive, hard indurated bedrock, such as sandstone, is at or within 2 feet of the surface; and, soil types with a poor history of successful rehabilitation).
3. Prior to abandonment of a buried pipeline, the operator will obtain authorization from the appropriate regulatory agency. BLM will determine whether the pipeline and all above ground pipeline facilities shall be removed and unsalvageable materials disposed of at approved sites or abandoned in place. Reshaping and revegetation of disturbed land areas will be completed where necessary.

DOWNHOLE CONDITIONS OF APPROVAL

All provisions outlined in Onshore Oil and Gas Order #2 Drilling Operations shall be strictly adhered to. The following items are emphasized:

SITE SPECIFIC DOWNHOLE CONDITIONS OF APPROVAL

1.

DRILLING/COMPLETION/PRODUCING OPERATING STANDARDS

1. There shall be no deviation from the proposed drilling, completion, and/or workover program as approved. Safe drilling and operating practices must be observed. All wells, whether drilling, producing, suspended, or abandoned, shall be identified in accordance with 43 CFR 3162.6. There shall be a sign or marker with the name of the operator, lease serial number, well number, and surveyed description of the well. Any changes in operation must have prior approval from the BLM, Vernal Field Office Petroleum Engineers.
2. The spud date and time shall be reported orally to Vernal Field Office within 24 hours of spudding.
3. **Notify Vernal Field Office Supervisory Petroleum Engineering Technician at least 24 hours in advance of casing cementing operations and BOPE & casing pressure tests.**
4. Blowout prevention equipment (BOPE) will remain in use until the well is completed or abandoned. Closing unit controls must remain unobstructed and readily accessible at all times. Choke manifolds must be located outside of the rig substructure.

All BOPE components will be inspected daily and those inspections shall be recorded in the daily drilling report. Components shall be operated and tested as required by Onshore Oil and Gas Order No. 2 to insure good mechanical working order. All BOPE pressure tests must be performed by a test pump with a chart recorder and **NOT** by the rig pumps. Test must be reported in the driller's log.

BOP drills must be initially conducted by each drilling crew within 24 hours of drilling out from under the surface casing and weekly thereafter as specified in Onshore Oil and Gas Order No. 2.

Casing pressure tests are required before drilling out from under all casing strings set and cemented in place.

No aggressive/fresh hard-banded drill pipe shall be used within casing.

5. All shows of fresh water and minerals will be reported and protected. A sample will be taken of any water flows and a water analysis furnished the BLM, Vernal Field Office. All oil and gas shows will be adequately tested for commercial possibilities, reported, and protected.
6. No location will be constructed or moved, no well will be plugged, and no drilling or workover equipment will be removed from a well to be placed in a suspended status without prior approval of the BLM, Vernal Field Office. If operations are to be suspended

for more than 30 days, prior approval of the BLM, Vernal Field Office must be obtained and notification given before resumption of operations.

7. Chronologic drilling progress reports must be filed directly with the BLM, Vernal Field Office on a weekly basis in sundry, letter format or e-mail to the Petroleum Engineers until the well is completed.

Any change in the program must be approved by the BLM, Vernal Field Office. "Sundry Notices and Reports on Wells" (Form BLM 3160-5) must be filed for all changes of plans and other operations in accordance with 43 CFR ' 3162.3-2.

Emergency approval may be obtained orally, but such approval does not waive the written report requirement. Any additional construction, reconstruction, or alterations of facilities, including roads, gathering lines, batteries, etc., which will result in the disturbance of new ground, will require the filing of a suitable plan pursuant to Onshore Oil and Gas Order No. 1 of 43 CFR 3164.1 and prior approval by the BLM, Vernal Field Office.

In accordance with 43 CFR ' 3162.4-3, this well must be reported on the "Monthly Report of Operations" (Oil and Gas Operations Report ((OGOR)) starting with the month in which operations commence and continue each month until the well is physically plugged and abandoned. This report should be filed in duplicate, directly with the Minerals Management Service, P.O. Box 17110, Denver, Colorado 80217-0110, or call 1-800-525-7922 (303) 231-3650 for reporting information.

8. Whether the well is completed as a dry hole or as a producer, "Well Completion and Recompletion Report and Log" (BLM Form 3160-4) will be submitted not later than 30 days after completion of the well or after completion of operations being performed, in accordance with 43 CFR 3162.4-1. Two copies of all logs run, core descriptions, and all other surveys or data obtained and compiled during the drilling, workover, and/or completion operations, will be filed on BLM Form 3160-4. Submit with the well completion report a geologic report including, at a minimum, formation tops, and a summary and conclusions. Also include deviation surveys, sample descriptions, strip logs, core data, drill stem test data, and results of production tests if performed. Samples (cuttings, fluid, and/or gas) will be submitted only when requested by the BLM, Worland Field Office.

Please submit an electronic copy of all logs run on this well in LAS format to UT_VN_Welllogs@BLM.gov. This submission will supersede the requirement for submittal of paper logs to the BLM. The cement bond log must be submitted in raster format (TIF, PDF other).

9. All off-lease storage, off-lease measurement, or commingling on-lease or off-lease will have prior written approval from the BLM, Vernal Field Office.

All measurement points shall be identified as point of sales or allocation for royalty determination prior to the installation of facilities.

10. Oil and gas meters will be calibrated in place prior to any deliveries. The Field Office Petroleum Engineers will be provided with a date and time for the initial meter calibration and all future meter proving schedules. A copy of the meter calibration reports will be submitted to the BLM, Vernal Field Office. All measurement facilities will conform to the

API standards for liquid hydrocarbons and the AGA standards for natural gas measurement.

11. A schematic facilities diagram as required by Onshore Oil and Gas Order No. 3 shall be submitted to the BLM, Vernal Field Office within 30 days of installation or first production, whichever occurs first. All site security regulations as specified in Onshore Oil and Gas Order No. 3 shall be adhered to. All product lines entering and leaving hydrocarbon storage tanks will be effectively sealed in accordance with Onshore Oil and Gas Order No. 3.
12. This APD is approved subject to the requirement that, should the well be successfully completed for production, the BLM, Vernal Field office must be notified when it is placed in a producing status. Such notification will be by written communication and must be received in this office by not later than the fifth business day following the date on which the well is placed on production. The notification shall provide, as a minimum, the following informational items:
 - a. Operator name, address, and telephone number.
 - b. Well name and number.
 - c. Well location (¼¼, Sec., Twn, Rng, and P.M.).
 - d. Date well was placed in a producing status (date of first production for which royalty will be paid).
 - e. The nature of the well's production, (i.e., crude oil, or crude oil and casing head gas, or natural gas and entrained liquid hydrocarbons).
 - f. The Federal or Indian lease prefix and number on which the well is located; otherwise the non-Federal or non-Indian land category, i.e., State or private.
 - g. Unit agreement and / or participating area name and number, if applicable.
 - h. Communitization agreement number, if applicable.
13. Any venting or flaring of gas will be done in accordance with Notice to Lessees (NTL) 4A and needs prior approval from Field Office Petroleum Engineers.
14. All undesirable events (fires, accidents, blowouts, spills, discharges) as specified in NTL 3A will be reported to the BLM, Vernal Field Office. Major events as defined in NTL3A, will be reported verbally within 24 hours, followed by a written report within 15 days. "Other than Major Events" will be reported in writing within 15 days. "Minor Events" will be reported on the Monthly Report of Operations and Production.
15. Pursuant to Onshore Oil and Gas Order No. 7, this is authorization for pit disposal of water produced from this well for a period of 90 days from the date of initial production. A permanent disposal method must be approved by this office and in operation prior to the end of this 90-day period. In order to meet this deadline, an application for the proposed permanent disposal method should be submitted along with any necessary water analyses, as soon as possible, but no later than 45 days after the date of first production. Any method of disposal which has not been approved prior to the end of the authorized 90-day period will be considered as an Incident of Noncompliance and will be grounds for issuing a shut-in order until an acceptable manner for disposing of said water is provided and approved by this office.

16. Unless the plugging is to take place immediately upon receipt of oral approval, the Field Office Petroleum Engineers must be notified at least 24 hours in advance of the plugging of the well, in order that a representative may witness plugging operations. If a well is suspended or abandoned, all pits must be fenced immediately until they are backfilled. The "Subsequent Report of Abandonment" (Form BLM 3160-5) must be submitted within 30 days after the actual plugging of the well bore, showing location of plugs, amount of cement in each, and amount of casing left in hole, and the current status of the surface restoration.

DIVISION OF OIL, GAS AND MINING

SPUDDING INFORMATION

Name of Company: EOG RESOURCES INC

Well Name: S CHAPITA 17-3

Api No: 43-047-36903 Lease Type: FEDERAL

Section 03 Township 10S Range 23E County UINTAH

Drilling Contractor ROCKER DRILLING RIG # 1

SPUDDED:

Date 04/03/06

Time 1:00 PM

How DRY

Drilling will Commence: _____

Reported by DALL COOK

Telephone # (435) 828-3630

Date 04/03/2006 Signed CHD

STATE OF UTAH
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

ENTITY ACTION FORM

Operator: EOG RESOURCES
Address: P.O. BOX 1815
city VERNAL
state UT zip 84078

Operator Account Number: N 9550

Phone Number: (435) 781-9111

Well 1

| API Number | Well Name | | QQ | Sec | Twp | Rng | County |
|---|-----------------------|-------------------|-----------|-----|----------------------------------|-----|--------|
| 43-047-36903 | SOUTH CHAPITA 17-03 | | SENW | 3 | 10S | 23E | UINTAH |
| Action Code | Current Entity Number | New Entity Number | Spud Date | | Entity Assignment Effective Date | | |
| <u>PA</u> | 99999 | <u>15289</u> | 4/3/2006 | | <u>4/6/06</u> | | |
| Comments: <u>PRRV = MVRD</u> — <u>K</u> | | | | | | | |

Well 2

| API Number | Well Name | | QQ | Sec | Twp | Rng | County |
|--|-----------------------|-------------------|-----------|-----|----------------------------------|-----|----------|
| 43-013-33007 | ARGYLE 1-26D | | NWSE | 26 | 11S | 13E | DUCHESNE |
| Action Code | Current Entity Number | New Entity Number | Spud Date | | Entity Assignment Effective Date | | |
| <u>PA</u> | 99999 | <u>15290</u> | 3/29/2006 | | <u>4/6/06</u> | | |
| Comments: <u>BLKHK = MVRD</u> <u>CONFIDENTIAL</u> <u>K</u> | | | | | | | |

Well 3

| API Number | Well Name | | QQ | Sec | Twp | Rng | County |
|---|-----------------------|-------------------|-----------|-----|----------------------------------|-----|--------|
| 43-047-36904 | SOUTH CHAPITA 18-3 | | NWNW | 3 | 10S | 23E | UINTAH |
| Action Code | Current Entity Number | New Entity Number | Spud Date | | Entity Assignment Effective Date | | |
| <u>D</u> | 99999 | <u>15291</u> | 4/4/2006 | | | | |
| Comments: <u>PRRV = MVRD</u> — <u>K</u> | | | | | | | |

ACTION CODES:

- A - Establish new entity for new well (single well only)
- B - Add new well to existing entity (group or unit well)
- C - Re-assign well from one existing entity to another existing entity
- D - Re-assign well from one existing entity to a new entity
- E - Other (Explain in 'comments' section)

Kaylene R. Gardner

Name (Please Print)

Signature

Regulatory Assistant

Title

4/6/2006

Date

(5/2000)

RECEIVED

APR 06 2006

DIV OF OIL, GAS & MINING

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

FORM APPROVED
OMB No. 1004-0137
Expires: March 31, 2007

SUNDRY NOTICES AND REPORTS ON WELLS

Do not use this form for proposals to drill or to re-enter an abandoned well. Use Form 3160-3 (APD) for such proposals.

SUBMIT IN TRIPLICATE- Other instructions on reverse side.

1. Type of Well
☐ Oil Well ☒ Gas Well ☐ Other

2. Name of Operator **EOG RESOURCES, INC.**

3a. Address
P.O. Box 1815 Vernal, UT 84078

3b. Phone No. (include area code)
435-781-9111

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)
**SECTION 3, T10S, R23E S.L.B.&M
2038 FNL 2099 FWL (SE/NW) 39.979647 LAT 109.314325 LON**

5. Lease Serial No.

UTU 80613

6. If Indian, Allottee or Tribe Name

7. If Unit or CA/Agreement, Name and/or No.

8. Well Name and No.

SOUTH CHAPITA 17-3

9. API Well No.

43-047-36903

10. Field and Pool, or Exploratory Area

NATURAL BUTTES

11. County or Parish, State

UINTAH COUNTY, UTAH

12. CHECK APPROPRIATE BOX(ES) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

| TYPE OF SUBMISSION | TYPE OF ACTION | | | | |
|---|---|---|--|--|--|
| <input type="checkbox"/> Notice of Intent | <input type="checkbox"/> Acidize | <input type="checkbox"/> Deepen | <input type="checkbox"/> Production (Start/Resume) | <input type="checkbox"/> Water Shut-Off | |
| <input checked="" type="checkbox"/> Subsequent Report | <input type="checkbox"/> Alter Casing | <input type="checkbox"/> Fracture Treat | <input type="checkbox"/> Reclamation | <input type="checkbox"/> Well Integrity | |
| <input type="checkbox"/> Final Abandonment Notice | <input type="checkbox"/> Casing Repair | <input type="checkbox"/> New Construction | <input type="checkbox"/> Recomplete | <input checked="" type="checkbox"/> Other WELL SPUD | |
| | <input type="checkbox"/> Change Plans | <input type="checkbox"/> Plug and Abandon | <input type="checkbox"/> Temporarily Abandon | | |
| | <input type="checkbox"/> Convert to Injection | <input type="checkbox"/> Plug Back | <input type="checkbox"/> Water Disposal | | |

13. Describe Proposed or Completed Operation (clearly state all pertinent details, including estimated starting date of any proposed work and approximate duration thereof. If the proposal is to deepen directionally or recompleat horizontally, give subsurface locations and measured and true vertical depths of all pertinent markers and zones. Attach the Bond under which the work will be performed or provide the Bond No. on file with BLM/BIA. Required subsequent reports shall be filed within 30 days following completion of the involved operations. If the operation results in a multiple completion or recompleat in a new interval, a Form 3160-4 shall be filed once testing has been completed. Final Abandonment Notices shall be filed only after all requirements, including reclamation, have been completed, and the operator has determined that the site is ready for final inspection.)

EOG Resources, Inc. spud a 20" surface hole at the referenced location 4/3/2006 at 1:00 p.m. Dall Cook, representative for EOG, notified Matt Baker of the Vernal BLM office and Carol Daniels of the Utah Division of Oil Gas and Mining of the spud 4/3/2006.

14. I hereby certify that the foregoing is true and correct
Name (Printed/Typed)

Kaylene R. Gardner

Title **Regulatory Assistant**

Signature

Date

04/06/2006

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved by

Title

Date

Conditions of approval, if any, are attached. Approval of this notice does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon.

Office

Title 18 U.S.C. Section 1001 and Title 43 U.S.C. Section 1212, make it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

(Instructions on page 2)

RECEIVED

APR 07 2006

DIV. OF OIL, GAS & MINING

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

FORM APPROVED
OMB No. 1004-0137
Expires: March 31, 2007

SUNDRY NOTICES AND REPORTS ON WELLS

Do not use this form for proposals to drill or to re-enter an abandoned well. Use Form 3160-3 (APD) for such proposals.

SUBMIT IN TRIPLICATE- Other instructions on reverse side.

1. Type of Well
☐ Oil Well ☒ Gas Well ☐ Other

2. Name of Operator
EOG RESOURCES, INC.

3a. Address
P.O. Box 1815 Vernal, UT 84078

3b. Phone No. (include area code)
435-781-9111

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)
**SECTION 3, T10S, R23E S.L.B.&M
2038 FNL 2099 FWL (SE/NW) 39.979647 LAT 109.314325 LON**

5. Lease Serial No.

UTU 80613

6. If Indian, Allottee or Tribe Name

7. If Unit or CA/Agreement, Name and/or No.

8. Well Name and No.

SOUTH CHAPITA 17-3

9. API Well No.

43-047-36903

10. Field and Pool, or Exploratory Area

NATURAL BUTTES

11. County or Parish, State

UINTAH COUNTY, UTAH

12. CHECK APPROPRIATE BOX(ES) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

| TYPE OF SUBMISSION | TYPE OF ACTION | | | |
|--|---|---|--|---|
| <input checked="" type="checkbox"/> Notice of Intent | <input type="checkbox"/> Acidize | <input type="checkbox"/> Deepen | <input type="checkbox"/> Production (Start/Resume) | <input type="checkbox"/> Water Shut-Off |
| <input type="checkbox"/> Subsequent Report | <input type="checkbox"/> Alter Casing | <input type="checkbox"/> Fracture Treat | <input type="checkbox"/> Reclamation | <input type="checkbox"/> Well Integrity |
| <input type="checkbox"/> Final Abandonment Notice | <input type="checkbox"/> Casing Repair | <input type="checkbox"/> New Construction | <input type="checkbox"/> Recomplete | <input type="checkbox"/> Other |
| | <input type="checkbox"/> Change Plans | <input type="checkbox"/> Plug and Abandon | <input type="checkbox"/> Temporarily Abandon | |
| | <input type="checkbox"/> Convert to Injection | <input type="checkbox"/> Plug Back | <input checked="" type="checkbox"/> Water Disposal | |

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EOG Resources, Inc. requests authorization for disposal of produced water from the referenced well to any of the following locations.

- 1. Natural Buttes Unit 21-20B SWD.**
- 2. Ace Disposal**
- 3. RN Industries.**

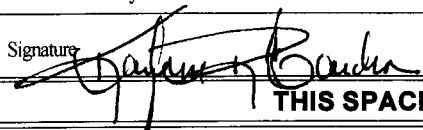
**Accepted by the
Utah Division of
Oil, Gas and Mining
FOR RECORD ONLY**

14. I hereby certify that the foregoing is true and correct
Name (Printed/Typed)

Kaylene R. Gardner

Title **Regulatory Assistant**

Signature



Date

04/06/2006

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved by

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Title

Date

Office

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(Instructions on page 2)

RECEIVED

APR 07 2006

DIV. OF OIL, GAS & MINING

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

FORM APPROVED
OMB No. 1004-0137
Expires: March 31, 2007

SUNDRY NOTICES AND REPORTS ON WELLS

Do not use this form for proposals to drill or to re-enter an abandoned well. Use Form 3160-3 (APD) for such proposals.

SUBMIT IN TRIPLICATE- Other instructions on reverse side.

1. Type of Well
☐ Oil Well ☒ Gas Well ☐ Other

2. Name of Operator **EOG RESOURCES, INC.**

3a. Address
600 17th St., Suite 1000N, Denver, CO 80202

3b. Phone No. (include area code)
303-824-5526

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)
**Sec. 3-T10S-R23E S.L.B.&M
2038 FNL 2099 FWL (SENW) 39.979647 LAT -109.314325 LON**

5. Lease Serial No.

UTU 80613

6. If Indian, Allottee or Tribe Name

7. If Unit or CA/Agreement, Name and/or No.

8. Well Name and No.

South Chapita 17-3

9. API Well No.

43-047-36903

10. Field and Pool, or Exploratory Area

NATURAL BUTTES

11. County or Parish, State

UINTAH COUNTY, UT

12. CHECK APPROPRIATE BOX(ES) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

| TYPE OF SUBMISSION | TYPE OF ACTION | | | |
|---|---|---|--|---|
| <input type="checkbox"/> Notice of Intent | <input type="checkbox"/> Acidize | <input type="checkbox"/> Deepen | <input type="checkbox"/> Production (Start/Resume) | <input type="checkbox"/> Water Shut-Off |
| <input checked="" type="checkbox"/> Subsequent Report | <input type="checkbox"/> Alter Casing | <input type="checkbox"/> Fracture Treat | <input type="checkbox"/> Reclamation | <input type="checkbox"/> Well Integrity |
| <input type="checkbox"/> Final Abandonment Notice | <input type="checkbox"/> Casing Repair | <input type="checkbox"/> New Construction | <input type="checkbox"/> Recomplete | <input checked="" type="checkbox"/> Other DRILLING |
| | <input type="checkbox"/> Change Plans | <input type="checkbox"/> Plug and Abandon | <input type="checkbox"/> Temporarily Abandon | OPERATIONS |
| | <input type="checkbox"/> Convert to Injection | <input type="checkbox"/> Plug Back | <input type="checkbox"/> Water Disposal | |

13. Describe Proposed or Completed Operation (clearly state all pertinent details, including estimated starting date of any proposed work and approximate duration thereof. If the proposal is to deepen directionally or recompleat horizontally, give subsurface locations and measured and true vertical depths of all pertinent markers and zones. Attach the Bond under which the work will be performed or provide the Bond No. on file with BLM/BIA. Required subsequent reports shall be filed within 30 days following completion of the involved operations. If the operation results in a multiple completion or recompleat in a new interval, a Form 3160-4 shall be filed once testing has been completed. Final Abandonment Notices shall be filed only after all requirements, including reclamation, have been completed, and the operator has determined that the site is ready for final inspection.)

No drilling activity has occurred since spud 4/3/2006.

EOG Resources, Inc. operates under Nationwide Bond #2308.

14. I hereby certify that the foregoing is true and correct
Name (Printed/Typed)

Mary Maestas

Title **Operations clerk**

Signature

Mary Maestas

Date

04/10/2006

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved by

Conditions of approval, if any, are attached. Approval of this notice does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon.

Title

Date

Office

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(Instructions on page 2)

RECEIVED

APR 11 2006

DIV. OF OIL, GAS & MINING

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENTFORM APPROVED
OMB No. 1004-0137
Expires: March 31, 2007**SUNDRY NOTICES AND REPORTS ON WELLS**

Do not use this form for proposals to drill or to re-enter an abandoned well. Use Form 3160-3 (APD) for such proposals.

SUBMIT IN TRIPLICATE- Other instructions on reverse side.1. Type of Well ☐ Oil Well ☒ Gas Well ☐ Other2. Name of Operator **EOG RESOURCES, INC.**3a. Address
600 17th St., Suite 1000N, Denver, CO 802023b. Phone No. (include area code)
303-824-5526

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)

**SECTION 3, T10S, R23E S.L.B.&M
2038 FNL 2099 FWL (SE/NW) 39.979647 LAT 109.314325 LON**5. Lease Serial No.
UTU 80613

6. If Indian, Allottee or Tribe Name

7. If Unit or CA/Agreement, Name and/or No.

8. Well Name and No.
SOUTH CHAPITA 17-39. API Well No.
43-047-3690310. Field and Pool, or Exploratory Area
NATURAL BUTTES/MESAVERDE11. County or Parish, State
UINTAH COUNTY, UTAH**12. CHECK APPROPRIATE BOX(ES) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA**

| TYPE OF SUBMISSION | TYPE OF ACTION | | | |
|---|---|---|---|---|
| <input type="checkbox"/> Notice of Intent | <input type="checkbox"/> Acidize | <input type="checkbox"/> Deepen | <input checked="" type="checkbox"/> Production (Start/Resume) | <input type="checkbox"/> Water Shut-Off |
| <input checked="" type="checkbox"/> Subsequent Report | <input type="checkbox"/> Alter Casing | <input type="checkbox"/> Fracture Treat | <input type="checkbox"/> Reclamation | <input type="checkbox"/> Well Integrity |
| <input type="checkbox"/> Final Abandonment Notice | <input type="checkbox"/> Casing Repair | <input type="checkbox"/> New Construction | <input type="checkbox"/> Recomplete | <input type="checkbox"/> Other _____ |
| | <input type="checkbox"/> Change Plans | <input type="checkbox"/> Plug and Abandon | <input type="checkbox"/> Temporarily Abandon | |
| | <input type="checkbox"/> Convert to Injection | <input type="checkbox"/> Plug Back | <input type="checkbox"/> Water Disposal | |

13. Describe Proposed or Completed Operation (clearly state all pertinent details, including estimated starting date of any proposed work and approximate duration thereof. If the proposal is to deepen directionally or recompleat horizontally, give subsurface locations and measured and true vertical depths of all pertinent markers and zones. Attach the Bond under which the work will be performed or provide the Bond No. on file with BLM/BIA. Required subsequent reports shall be filed within 30 days following completion of the involved operations. If the operation results in a multiple completion or recompleat in a new interval, a Form 3160-4 shall be filed once testing has been completed. Final Abandonment Notices shall be filed only after all requirements, including reclamation, have been completed, and the operator has determined that the site is ready for final inspection.)

The referenced well was turned to sales on 7/12/2006. Please see the attached operations summary for drilling and completion operations performed on the subject well.

14. I hereby certify that the foregoing is true and correct
Name (Printed/Typed)**Mary A. Maestas**Title **Operations Clerk**

Signature



Date

07/18/2006**THIS SPACE FOR FEDERAL OR STATE OFFICE USE**

Approved by _____

Conditions of approval, if any, are attached. Approval of this notice does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon.

Title _____

Date _____

Office _____

Title 18 U.S.C. Section 1001 and Title 43 U.S.C. Section 1212, make it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

(Instructions on page 2)

RECEIVED**JUL 20 2006**

DIV. OF OIL, GAS & MINING

WELL CHRONOLOGY REPORT

Report Generated On: 07-18-2006

| | | | | | |
|----------------------|--|------------------|--------------|----------------------|------------|
| Well Name | SCW 17-03 | Well Type | DEVG | Division | DENVER |
| Field | CHAPITA WELLS DEEP | API # | 43-047-36903 | Well Class | ISA |
| County, State | UINTAH, UT | Spud Date | 05-26-2006 | Class Date | 07-12-2006 |
| Tax Credit | N | TVD / MD | 8,315/ 8,315 | Property # | 054587 |
| Water Depth | 0 | Last CSG | 0.0 | Shoe TVD / MD | 0/ 0 |
| KB / GL Elev | 5,399/ 5,380 | | | | |
| Location | Section 3, T10S, R23E, SENW, 2038 FNL & 2099 FWL | | | | |

| | | | | | |
|-----------------|--------------------|--------------------|------------------|--------------|------|
| Event No | 1.0 | Description | DRILL & COMPLETE | | |
| Operator | EOG RESOURCES, INC | WI % | 100.0 | NRI % | 87.5 |

| | | | | | | | | | | | | | | | | | | | | | | | |
|-----------------------|--|-------------|--|------------|--|-------------|--|-------------|--|--------------------|--|-----------------|--|------------|--|----|--|-----|--|------|--|-----|--|
| AFE No | | 302722 | | AFE Total | | 1,897,500 | | DHC / CWC | | 774,400/ 1,123,100 | | | | | | | | | | | | | |
| Rig Contr | | PIONEER | | Rig Name | | PIONEER #59 | | Start Date | | 07-19-2005 | | Release Date | | 06-04-2006 | | | | | | | | | |
| 07-19-2005 | | Reported By | | | | | | | | | | | | | | | | | | | | | |
| Daily Costs: Drilling | | \$0 | | Completion | | \$0 | | Daily Total | | \$0 | | | | | | | | | | | | | |
| Cum Costs: Drilling | | \$0 | | Completion | | \$0 | | Well Total | | \$0 | | | | | | | | | | | | | |
| MD | | 0 | | TVD | | 0 | | Progress | | 0 | | Days | | 0 | | MW | | 0.0 | | Visc | | 0.0 | |
| Formation : | | | | PBTD : 0.0 | | | | Perf : | | | | PKR Depth : 0.0 | | | | | | | | | | | |

Activity at Report Time: LOCATION DATA

| Start | End | Hrs | Activity Description |
|-------|-------|------|----------------------|
| 06:00 | 06:00 | 24.0 | LOCATION DATA |

2038' FNL & 2099' FWL (SE/NW)

SECTION 3, T10S, R23E

UINTAH COUNTY, UTAH

LAT 39.979647, LONG 109.314325 (NAD 27)

PIONEER RIG #59

OBJECTIVE: 8315' TD, MESAVERDE

DW/GAS

CHAPITA WELLS DEEP PROSPECT

DD&A: CHAPITA DEEP

NATURAL BUTTES FIELD

LEASE: UTU-80613

ELEVATION: 5380.7' NAT GL, 5379.7' PREP GL (DUE TO ROUNDING 5380' IS THE PREP GL, 5399' KB (19'))

EOG WI 100%, NRI 87.5%

| 04-07-2006 | Reported By | COOK/BARNES |
|------------------------------|-------------|--------------------|
| Daily Costs: Drilling | \$47,188 | Completion |
| | | Daily Total |
| | | \$47,188 |

| | | | | | |
|---------------------------------|------------|-------------------|-----|-------------------|----------|
| Cum Costs: Drilling | \$47,188 | Completion | \$0 | Well Total | \$47,188 |
| MD | 40 | TVD | 40 | Progress | 0 |
| Formation : | | PBTD : | 0.0 | Perf : | |
| Activity at Report Time: | WO AIR RIG | | | | |

| | | | |
|--------------|------------|------------|--|
| Start | End | Hrs | Activity Description |
| 06:00 | 06:00 | 24.0 | GROUND LEVEL ELEVATION 5381'. CUT AT STAKE 1.0'. |

MIRU CONSTRUCTION EQUIPMENT. BUILD ACCESS ROAD & LOCATION. LINED RESERVE PIT.

06:00 18.0 MIRU ROCKER DRILLING RIG #1. SPUD WELL @ 1:00 PM, 4/3/2006. DRILLED 17.5" HOLE TO 40". RAN 40' OF 14", CONDUCTER PIPE. CEMENTED CONDUCTER TO SURFACE WITH READY MIX CEMENT.

DALL COOK NOTIFIED MIKE LEE W/BLM & CORAL DANIELS W/UDOGM OF WELL SPUD ON 4/3/2006 @ 12:30 PM.

05-18-2006 **Reported By** COOK/BARNES

| | | | | | |
|---------------------------------|-----------|-------------------|-------|--------------------|-----------|
| Daily Costs: Drilling | \$182,619 | Completion | \$0 | Daily Total | \$182,619 |
| Cum Costs: Drilling | \$229,807 | Completion | \$0 | Well Total | \$229,807 |
| MD | 1.922 | TVD | 1.922 | Progress | 0 |
| Formation : | | PBTD : | 0.0 | Perf : | |
| Activity at Report Time: | WORT | | | | |

| | | | |
|--------------|------------|------------|--|
| Start | End | Hrs | Activity Description |
| 06:00 | 06:00 | 24.0 | MIRU BILL JR AIR RIG. DRILLED 12-1/4" HOLE TO 1960' GL. RAN 44 JTS (1903.10') OF 9-5/8", 36.0 #/FT, J-55, ST&C CASING WITH WEATHERFORD GUIDE SHOE AND FLOAT COLLAR. 8 CENTRALIZERS SPACED MIDDLE OF SHOE JOINT AND EVERY COLLAR TILL GONE. LANDED @ 1922' KB. RDMO BILL JR. AIR RIG. |

RU BIG 4 CEMENTING. HELD SAFETY MEETING. PRESSURE TESTED LINES AND CEMENT VALVE TO 1500 PSIG. PUMPED 145 BBLs FRESH WATER & 20 BBLs GELLED WATER FLUSH AHEAD OF CEMENT. MIXED & PUMPED 200 SX (42 BBLs) OF CLASS G CEMENT W/2% CACL2 & 1/4 #/SX FLOCELE. MIXED CEMENT @ 15.8 PPG W/YIELD OF 1.15 CFS. DISPLACED CEMENT W/138 BBLs FRESH WATER. BUMPED PLUG W/600# @ 4:15 PM, 4/9/2006. CHECKED FLOAT, FLOAT HELD. SHUT-IN CASING VALVE. NO RETURNS TO SURFACE.

TOP JOB # 1. MIXED & PUMPED 150 SX (30.7 BBLs) OF CLASS G CEMENT W/4% CACI2 & 1/4 #/SX FLOCELE. MIXED CEMENT @ 15.8 PPG W/YIELD OF 1.15 CF/SX. NO RETURNS. WOC 2 1/4 HOURS.

TOP JOB # 2. MIXED & PUMPED 225 SX (46 BBLs) OF CLASS G CEMENT W/4% CaCl2 & 1/4 #/SX FLOCELE. MIXED CEMENT @ 15.8 PPG W/YIELD OF 1.15 CF/SX. NO RETURNS. WOC 2 1/4 HOURS

TOP JOB # 3. MIXED & PUMPED 350 SX (71.7 BBLs) OF CLASS G CEMENT W/4% CACL2 & 1/4 #/SX FLOCELE. MIXED CEMENT @ 15.8 PPG W/YIELD OF 1.15 CF/SX. HOLE FILLED & STOOD FULL. RDMO BIG 4 CEMENTERS.

PREPARED LOCATION FOR ROTARY RIG. WORT. WILL DROP FROM REPORT UNTIL FURTHER ACTIVITY.

MIRU SLICK LINE UNIT & SURVEY TOOL. RAN IN HOLE & TAGGED @ 1794'. PICKED UP & TOOK SURVEY @ 1784', 2 DEGREE.

JERRY BARNES NOTIFIED JAMIE SPARGER W/BLM OF THE SURFACE CASING & CEMENT JOB ON 4/9/2006 AT 6:30 AM.

05-24-2006 Reported By STRONG

| | | | | | |
|-----------------------|-----------|------------|-----|-------------|-----------|
| Daily Costs: Drilling | \$26,781 | Completion | \$0 | Daily Total | \$26,781 |
| Cum Costs: Drilling | \$256,588 | Completion | \$0 | Well Total | \$256,588 |

| | | | | | | | | | | | |
|-------------|-------|-----|------------|----------|---|--------|---|----|-----------------|------|-----|
| MD | 1,922 | TVD | 1,922 | Progress | 0 | Days | 0 | MW | 0.0 | Visc | 0.0 |
| Formation : | | | PBTB : 0.0 | | | Perf : | | | PKR Depth : 0.0 | | |

Activity at Report Time: PREP TO MOVE RIG

| Start | End | Hrs | Activity Description |
|-------|-------|------|--|
| 06:00 | 22:00 | 16.0 | RD FLOOR, FRONT YARD, BACK YARD, PUMPS, MUD PITS, MOTORS, BOILER, CAT WALK & LADDERS, CARRIER W/DERRICK, SUB BASE/FLOOR & WATER PUMPS. WELD ON DERRICK BOARD. TRUCKS TO BE ON LOCATION @ 08:00 HRS, 5/24/06 TO MOVE RIG TO LOCATION. |

SAFETY MEETING: RD RIG

NO ACCIDENTS

FUEL START 2613 GALS, TRANSFERRED FROM 14-33

TEMP 28 DEG

NOTIFIED ALAN WALKER OF BLM IN VERNAL UTAH @ 1600 HRS, 5/22/06 OF RIG MOVE TO SCW 17-3 & POSSIBLY NU BOPE ON 5/25/06.

22:00 06:00 8.0 SHUT DOWN FOR NIGHT.

05-25-2006 Reported By STRONG

| | | | | | |
|-----------------------|-----------|------------|-----|-------------|-----------|
| Daily Costs: Drilling | \$20,164 | Completion | \$0 | Daily Total | \$20,164 |
| Cum Costs: Drilling | \$276,752 | Completion | \$0 | Well Total | \$276,752 |

| | | | | | | | | | | | |
|-------------|-------|-----|------------|----------|---|--------|---|----|-----------------|------|-----|
| MD | 1,922 | TVD | 1,922 | Progress | 0 | Days | 0 | MW | 0.0 | Visc | 0.0 |
| Formation : | | | PBTB : 0.0 | | | Perf : | | | PKR Depth : 0.0 | | |

Activity at Report Time: MIRU

| Start | End | Hrs | Activity Description |
|-------|-------|------|--|
| 06:00 | 18:00 | 12.0 | MIRU. TAILGATE SAFETY MTG W/PIONEER DRILLING CREW AND L&S TRUCKING. RIG DOWN W/TRUCKS. MOVE PIPE TUBS. MOVE RIG TO LOCATION. SET MUD TANKS, SUB, PUMPS, LIGHT PLANT, WATER TANK AND FUEL TANK. GAS BUSTER. SET MUD BOAT. SPOT CARRIER. RAISE SUB. FINISH SETTING BUILDINGS AND STAIRWAYS. MOVE AND SET IN CAMP. TRUCKS DONE @ 17:15 HRS. |

NOTE: LOCATION TOO SHORT TO FRONT, HAD TO USE POLE TRUCKS TO SET IN MUD BOAT FOR CARRIER.

| | | | |
|-------|-------|------|---|
| 18:00 | 06:00 | 12.0 | CONT TO RU, MUD PIT LINES, WATER LINES, AIR LINES, PUMP LINES, FLARE LINES, FUEL LINES TO DRAW WORKS ENGINES. ELECTRIC LINES TO LIGHTS & PIT STAIRS, ROTARY DRIVE LINE, UNLOAD MISC PARTS FROM PIPE TUBS. HOOK UP KOOMEY REMOTE ON FLOOR. ASSIST WELDER REFABING DERRICK BOARD. |
|-------|-------|------|---|

PLAN TO TEST BOPS 5/25/06, EVENING. PLAN TO SPUD 5/26/06, AFTERNOON

TRANSFERRED: 7 JTS R3, 4.5", 11.6#, N-80, LTC R-3 (268") CSG & 1 JT R2 4.5", 11.6 # CSG PUP (21.45") TO SCW 17-03 FROM SCW 14-3x

TRANSFERRED: 2613 GALS FUEL @ \$3.027/GAL TO SCW 17-03 FROM SCW 14-3x.

SAFETY MEETING: DAYS/NIGHTS, MOVING/RIGGING UP RIG

NO ACCIDENTS

FUEL START 2613 GALS FUEL END 2296 GALS

TEMP 46 DEG

05-26-2006 Reported By STRONG

| | | | | | |
|-----------------------|-----------|------------|-----|-------------|-----------|
| Daily Costs: Drilling | \$33,305 | Completion | \$0 | Daily Total | \$33,305 |
| Cum Costs: Drilling | \$310,057 | Completion | \$0 | Well Total | \$310,057 |

| | | | | | | | | | | | |
|----|-------|-----|-------|----------|---|------|---|----|-----|------|-----|
| MD | 1.922 | TVD | 1.922 | Progress | 0 | Days | 0 | MW | 0.0 | Visc | 0.0 |
|----|-------|-----|-------|----------|---|------|---|----|-----|------|-----|

| | | | |
|-------------|------------|--------|-----------------|
| Formation : | PBTD : 0.0 | Perf : | PKR Depth : 0.0 |
|-------------|------------|--------|-----------------|

Activity at Report Time: NU ROTATING HEAD & FLOW LINE.

| Start | End | Hrs | Activity Description |
|-------|-------|------|--|
| 06:00 | 17:30 | 11.5 | ASSIST WELDER REFABING SAFETY HOOKUPS ON DERRICK BOARD. CONT TO RU WATER LINES, YELLOW DOG PUMP & SET MUD CROSS W/FMC QUICK CONNECT ON WELL HEAD. RAISE DERRICK TO FULL SCOPE @ 11:00 HRS. RU SAFETY LINES. FINISH RU FLOOR. PU SWIVEL. MU KELLY SPINNER & KELLY VALVES & BUSHINGS. |
| 17:30 | 21:00 | 3.5 | NU BOPS, BOPE. |
| 21:00 | 02:45 | 5.75 | TEST BOPS, BOPE W/B&C QUICK TEST. TEST FLOOR VALVE, DART VALVE, UPPER & LOWER KELLY VALVES, PIPE RAMS, BLIND RAMS, MANIFOLD VALVES, SUPER CHOKE, KILL LINE, CHOKE LINE TO 250 PSI LOW FOR 5 MIN, 5000 PSI HIGH FOR 10 MIN. FUNCTION TESTED ANNULAR TO 250 PSI LOW FOR 5 MIN, 2500 PSI HIGH FOR 10 MIN. |
| | | | ALAN WALKER W/VERNAL BLM NOTIFIED OF BOP TEST @ 08:25 HRS. ON 5-25-06. ALAN ARRIVED ON LOCATION @ 20:30 HRS & WITNESSED ALL TESTS. |
| 02:45 | 03:30 | 0.75 | TEST CSG TO 1500 PSI FOR 30 MIN. |
| 03:30 | 06:00 | 2.5 | NU ROT HEAD & FLOW LINE. |

SAFETY MEETINGS: DAYS & NIGHTS, RAISING DERRICK/FORKLIFT OPERATION
 NO ACCIDENTS
 FUEL START 2296 GALS, FUEL END 2138 GALS
 TEMP 48 DEG

06:00 18.0 SPUD 11" HOLE @ 17:30 HRS ON 5-25-06.

05-27-2006 Reported By STRONG

| | | | | | |
|-----------------------|-----------|------------|-----|-------------|-----------|
| Daily Costs: Drilling | \$45,941 | Completion | \$0 | Daily Total | \$45,941 |
| Cum Costs: Drilling | \$355,998 | Completion | \$0 | Well Total | \$355,998 |

| | | | | | | | | | | | |
|----|-------|-----|-------|----------|-----|------|---|----|-----|------|-----|
| MD | 2.790 | TVD | 2.790 | Progress | 830 | Days | 1 | MW | 0.0 | Visc | 0.0 |
|----|-------|-----|-------|----------|-----|------|---|----|-----|------|-----|

| | | | |
|-------------|------------|--------|-----------------|
| Formation : | PBTD : 0.0 | Perf : | PKR Depth : 0.0 |
|-------------|------------|--------|-----------------|

Activity at Report Time: DRILLING @ 2790'.

| Start | End | Hrs | Activity Description |
|-------|-------|------|---|
| 06:00 | 08:00 | 2.0 | PRE SPUD RIG INSPECTION. |
| 08:00 | 10:00 | 2.0 | LAY OUT BHA- STRAP & MEASURE BHA (ID-OD-FNL). |
| 10:00 | 14:15 | 4.25 | PU BIT, MTR, 1 6.25" DC, 1-3 POINT ROLLER REAMERS, 1 6.25" DC, 1- 3 POINT ROLLER REAMER, 10 SWDP, 12 HWDP, JARS, 7 HWDP. (BHA=1019.99' OAL). |
| 14:15 | 18:00 | 3.75 | SINGLE IN HOLE W/24 JTS DP. TAG CEMENT @ 1822'. |
| 18:00 | 19:15 | 1.25 | TAKE OFF BAILS, PU KELLY. INSTALL ROT HEAD RUBBER AND DRIVE BUSHING. BREAK CIRC, LEAKING SLIGHTLY AROUND ROT HEAD FLANGE. TIGHTEN FLANGE BOLTS. |
| 19:15 | 20:15 | 1.0 | DRILL CEMENT, FLOAT COLLAR, CMT AND SHOE. DRILL 10' NEW HOLE TO 1970'. |
| 20:15 | 21:30 | 1.25 | CIRC HOLE CLEAN, SPOT GEL PILL ON BTM. RUN FIT TEST. PRESSURE TO 335 PSI (11.6 PPG EMW). PRESSURE DROPPED TO 190 PSI IN 15 MIN. |

21:30 22:00 0.5 DRILL ROTATE 1970' – 2008', RPM 50+57, 15K WOB, 62 FPH.

SPUD WELL @ 2130 HRS–5/26/2006.

22:00 22:45 0.75 SURVEY @ 1933', 1.5 DEG.

22:45 02:45 4.0 DRILL / ROT 2008' TO 2515' = 507' @ 126.7 FPH. WOB 15/18 RPM 57/60 380 GPM, MTR RPM=60, TOT RPM 1112–117 W/16 RPM/GAL MM.

02:45 03:15 0.5 SURVEY @ 2445, 1.75 DEG.

03:15 06:00 2.75 DRILL / ROT 2515' TO 2790' = 507' @ 122.2 FPH. WOB 15/18 RPM, 57/60 380 GPM, MTR RPM 60, TOT RPM 112–117 W/16 RPM/GAL MM.

BGG=600–1400 U, CG=1400–2000 U, HIGH GAS=2218U–@ 2515', DTG=1850 @ 2515'

LITHOLOGY: SS 15%, SHALE 55%, LS 30%, 2614' DEPTH @ 04:00 HRS..

MUD WT @ REPORT TIME= 8.60 PPG W/28 VIS – IN & OUT

SPR=#1=240 PSI @ 64 SPM – @ 2705' DEPTH.

BOP DRILL= N/A – DAYS–

BOP DRILL = N/A NIGHTS..

SAFETY MEETINGS: PICKING UP BHA–MAKING CONNECTIONS..

NO ACCIDENTS REPORTED IN LAST 24 HRS

FUEL START= 2138 GALS.— FUEL END= 5940 GALS.

WEATHER: CLEAR W/5 MPH NW BREEZE . TEMP= 48 DEG "F" W/45% HUMIDITY

06:00 18.0 SPUD WELL @ 2130 HRS, 5/26/2006.

| | | | | | | | | | | | |
|------------------------------|--------------------|-------------------|-------|--------------------|------------------------|-------------|---|-----------|-----|-------------|------|
| 05–28–2006 | Reported By | STRONG | | | | | | | | | |
| Daily Costs: Drilling | \$33,261 | Completion | \$0 | Daily Total | \$33,261 | | | | | | |
| Cum Costs: Drilling | \$389,259 | Completion | \$0 | Well Total | \$389,259 | | | | | | |
| MD | 4,540 | TVD | 4,540 | Progress | 1,750 | Days | 2 | MW | 8.7 | Visc | 29.0 |
| Formation : | PBTD : 0.0 | | | Perf : | PKR Depth : 0.0 | | | | | | |

Activity at Report Time: DRILLING

| Start | End | Hrs | Activity Description |
|--------------|------------|------------|--|
| 06:00 | 08:45 | 2.75 | DRILL / ROT 2790' TO 2998' = 208' @ 75.6 FPH. WOB 15/18, RPM 57/60, 380 GPM, MTR RPM 60, TOT RPM 112–117 W/16 RPM/GAL M M. |
| 08:45 | 09:30 | 0.75 | SURVEY @ 2950, 1.75 DEG. |
| 09:30 | 10:45 | 1.25 | DRILL / ROT 2998' TO 3092' = 208' @ 75.2 FPH. WOB 15/18, RPM 57/60, 380 GPM, MTR RPM 60, TOT RPM 112–117 W/16 RPM/GAL MM. |
| 10:45 | 11:15 | 0.5 | RIG SERVICE & LUBRICATE RIG. |
| 11:15 | 18:00 | 6.75 | DRILL / ROT 3092' TO 3622' = 537' @ 79.5 FPH. WOB 15/18, RPM 57/60, 380 GPM, MTR RPM 60, TOT RPM 112–117 W/16 RPM/GAL M M. |

SPR=225 PSI @ 64 SPM.

PUW=108K-SOW=98K-ROT=105K.

18:00 22:30 4.5 DRILL / ROT 3622' TO 4034' = 412' @ 91.5 FPH. WOB 15/18, RPM 57/60, 380 GPM, MTR RPM 55-60, TOT RPM 112-117 W/.16 RPM/GAL M M.

22:30 23:00 0.5 SURVEY @ 3960', 2.00 DEG.

23:00 06:00 7.0 DRILL / ROT 4034' TO 4540' = 506' @ 72.28 FPH. WOB 15/18, RPM 57/60, 380 GPM, MTR RPM 60, TOT RPM 112-117 W/.16 RPM/GAL M M.

BGG=200-1400 U, CG=800-2000 U, HIGH GAS=2368U-@ 2643', DTG=1747 @ 2994'

LITHOLOGY: SS 35%, SHALE 45%, LS 10%, RED SH 10%—, 4400' DEPTH @ 04:00 HRS..

MUD WT @ REPORT TIME= 9.3 PPG W/ 31 VIS - IN & OUT

SPR=#1=280 PSI @ 64 SPM - @ 4290' DEPTH. SPR # 2=290 @ 64 SPM @ 4350' DEPTH.

BOP DRILL= 1 MIN 40 SEC.

BOP DRILL = N/A NIGHTS.-2 MIN

SAFETY MEETINGS: DAYS: MANUAL LIFTING—WIRE LINE SURVEYS

FULL CREWS + 1 AD EXTRA.

NO ACCIDENTS REPORTED IN LAST 24 HRS

FUEL START= 5940 GALS.— FUEL END= 5148 GALS.

WEATHER: CALM W/ 2 MPH NW BREEZE . TEMP= 42 DEG "F" W/ 53% HUMIDITY.

05-29-2006 Reported By STRONG

| | | | | | |
|-----------------------|----------|------------|-----|-------------|----------|
| Daily Costs: Drilling | \$30,385 | Completion | \$0 | Daily Total | \$30,385 |
|-----------------------|----------|------------|-----|-------------|----------|

| | | | | | |
|---------------------|-----------|------------|-----|------------|-----------|
| Cum Costs: Drilling | \$419,645 | Completion | \$0 | Well Total | \$419,645 |
|---------------------|-----------|------------|-----|------------|-----------|

| | | | | | | | | | | | |
|----|-------|-----|-------|----------|-------|------|---|----|-----|------|------|
| MD | 6.050 | TVD | 6.050 | Progress | 1.510 | Days | 3 | MW | 9.6 | Visc | 36.0 |
|----|-------|-----|-------|----------|-------|------|---|----|-----|------|------|

| | | | |
|-------------|------------|--------|-----------------|
| Formation : | PBTD : 0.0 | Perf : | PKR Depth : 0.0 |
|-------------|------------|--------|-----------------|

Activity at Report Time: DRILLING

| Start | End | Hrs | Activity Description |
|-------|-------|------|---|
| 06:00 | 17:30 | 11.5 | DRILL / ROT 4540' TO 5395' = 855' @ 74.4 FPH. WOB 15/18, RPM 57/60, 380 GPM, MTR RPM 60, TOT RPM 112-117 W/.16 RPM/GAL M M. |
| 17:30 | 18:00 | 0.5 | RIG SERVICE & LUBRICATE RIG. |
| 18:00 | 00:00 | 6.0 | DRILL / ROT 5395' TO 5725' = 330' @ 55 FPH. WOB 15/18, RPM 57/60, 380 GPM, MTR RPM 60, TOT RPM 112-117 W/.16 RPM/GAL M M. |
| 00:00 | 06:00 | 6.0 | DRILL / ROT 5725' TO 6050' = 325' @ 54.2 FPH. WOB 15/18, RPM 57/60, 380 GPM, MTR RPM 60, TOT RPM 112-117 W/.16 RPM/GAL M M. |

BGG=200-400 U, CG=800-1200 U, HIGH GAS=1714 U-@ 4414', DTG=1714 @ 4414'

LITHOLOGY: SS 55%, SHALE 25%, RED SH 20%—, 5951' DEPTH @ 04:00 HRS..

MUD WT @ REPORT TIME= 10.2 PPG W/ 36 VIS - IN & OUT

SPR=#1=420PSI @ 64 SPM - @ 5990' DEPTH. SPR #2-N/A

BOP DRIL: N/A

BOP DRILL = NIGHTS= 2 MIN 5 SEC.

SAFETY MEETINGS: DAY: PROPER PPE-NIGHTS: FORKLIFT OPERATION

FULL CREWS + 1 AD EXTRA ON DAYS.

NO ACCIDENTS REPORTED IN LAST 24 HRS

FUEL START= 5148 GALS.— FUEL END= 4039 GALS.

WEATHER: PARTLY CLOUDY W/ 7 MPH NW BREEZE . TEMP= 32 DEG "F" W/64% HUMIDITY.

05-30-2006 Reported By STRONG

| | | | | | |
|-----------------------|----------|------------|-----|-------------|----------|
| Daily Costs: Drilling | \$31,739 | Completion | \$0 | Daily Total | \$31,739 |
|-----------------------|----------|------------|-----|-------------|----------|

| | | | | | |
|---------------------|-----------|------------|-----|------------|-----------|
| Cum Costs: Drilling | \$451,384 | Completion | \$0 | Well Total | \$451,384 |
|---------------------|-----------|------------|-----|------------|-----------|

| | | | | | | | | | | | |
|----|-------|-----|-------|----------|-----|------|---|----|------|------|------|
| MD | 6,504 | TVD | 6,504 | Progress | 454 | Days | 4 | MW | 10.1 | Visc | 37.0 |
|----|-------|-----|-------|----------|-----|------|---|----|------|------|------|

| | | | |
|-------------|------------|--------|-----------------|
| Formation : | PBTD : 0.0 | Perf : | PKR Depth : 0.0 |
|-------------|------------|--------|-----------------|

Activity at Report Time: TIH W/ NEW MOTOR & BIT.

| Start | End | Hrs | Activity Description |
|-------|-----|-----|----------------------|
|-------|-----|-----|----------------------|

| | | | |
|-------|-------|------|--|
| 06:00 | 18:00 | 12.0 | DRILL / ROT 6050' TO 6459', 409' @ 34.1 FPH. WOB 15/18, RPM 57/60, 380 GPM, MTR RPM 60, TOT RPM 112-117 W/.16 RPM/GAL M M. SPR 480 PSI @ 62 SPM 6400'. PU 156 K, SOW 145K, ROT 152K. |
|-------|-------|------|--|

| | | | |
|-------|-------|------|--|
| 18:00 | 19:45 | 1.75 | DRILL / ROT 6050' TO 6504', 54' @ 27 FPH. WOB 15/18, RPM 57/60, 380 GPM, MTR RPM 60, TOT RPM 112-117 W/.16 RPM/GAL MM. PUMP PRESSURE JUMPED 600 PSI. |
|-------|-------|------|--|

| | | | |
|-------|-------|------|--|
| 19:45 | 21:00 | 1.25 | SD PUMPS. DP PRESSURE STAYED @ 200 PSIG. APPEARS MOTOR GAVE UP. CIRC WHILE BUILDING DP SLUG. FLOW CHECK BEFORE PUMPING DP SLUG. WELL STATIC. PUMP DP SLUG. MW TO 10.3 PPG. |
|-------|-------|------|--|

| | | | |
|-------|-------|-----|---|
| 21:00 | 01:30 | 4.5 | STAND KELLY BACK, DROP SURVEY, PU BAILS & ELEVATORS. TOH, PULLED SLICK OFF BOTTOM W/NO APPRECIABLE DRAG ALL THE WAY OUT OF HOLE. HOLE TOOK PROPER FILL. |
|-------|-------|-----|---|

| | | | |
|-------|-------|-----|--|
| 01:30 | 02:30 | 1.0 | LD BIT #1 & OLD MOTOR, PU NEW MOTOR & BIT #2. SURVEY @ 6401', 2 DEG. |
|-------|-------|-----|--|

| | | | |
|-------|-------|-----|--|
| 02:30 | 06:00 | 3.5 | TIH. BREAK CIRC @ TOP OF BHA, 30 STDS. |
|-------|-------|-----|--|

BGG=200-400 U, CG=800-1200 U, HIGH GAS=2499 U-@ 6446', DTG=1341 @ 6185'

LITHOLOGY: SS 55%, SHALE 25% , RED SH 15%, SLTSTN=5%—, 6501' DEPTH @ 04:00 HRS..

MUD WT @ REPORT TIME= 10.3 PPG W/ 36 VIS - IN & OUT

SPR=#1=420PSI @ 64 SPM - @ 5990' DEPTH. SPR #2-N/A

BOP DRIL: DAYS=1 MIN 30 SEC..

BOP DRILL = NIGHTS=N/A

SAFETY MEETINGS: DAYS: WORKING ROTARY TONGS. NIGHTS: MIXING MUD CHEMICALS

FULL CREWS

NO ACCIDENTS REPORTED IN LAST 24 HRS

FUEL START= 4039 GALS.— FUEL END= 3168 GALS.

WEATHER:PARTLY CLOUDY W/ 9 MPH NW BREEZE . TEMP= 38 DEG "F" W/58% HUMIDITY.

05-30-2006 Reported By STRONG

| | | | | | |
|------------------------------|-----------|-------------------|-----|--------------------|-----------|
| Daily Costs: Drilling | \$31,739 | Completion | \$0 | Daily Total | \$31,739 |
| Cum Costs: Drilling | \$451,384 | Completion | \$0 | Well Total | \$451,384 |

| | | | | | | | | | | | |
|-----------|-------|------------|-------|-----------------|-----|-------------|---|-----------|-----|-------------|-----|
| MD | 6,504 | TVD | 6,504 | Progress | 454 | Days | 4 | MW | 0.0 | Visc | 0.0 |
|-----------|-------|------------|-------|-----------------|-----|-------------|---|-----------|-----|-------------|-----|

| | | | |
|--------------------|-------------------|---------------|------------------------|
| Formation : | PBTD : 0.0 | Perf : | PKR Depth : 0.0 |
|--------------------|-------------------|---------------|------------------------|

Activity at Report Time: TIH W/ NEW MOTOR & BIT.

| Start | End | Hrs | Activity Description |
|-------|-----|-----|----------------------|
|-------|-----|-----|----------------------|

| | | | |
|-------|-------|------|--|
| 06:00 | 18:00 | 12.0 | DRILL / ROT 6050' TO 6459', 409' @ 34.1 FPH. WOB 15/18, RPM 57/60, 380 GPM, MTR RPM 60, TOT RPM 112-117 W/.16 RPM/GAL M M. SPR 480 PSI @ 62 SPM 6400'. PU 156 K, SOW 145K, ROT 152K. |
| 18:00 | 19:45 | 1.75 | DRILL / ROT 6050' TO 6504', 54' @ 27 FPH. WOB 15/18, RPM 57/60, 380 GPM, MTR RPM 60, TOT RPM 112-117 W/.16 RPM/GAL MM. PUMP PRESSURE JUMPED 600 PSI. |
| 19:45 | 21:00 | 1.25 | SD PUMPS. DP PRESSURE STAYED @ 200 PSIG. APPEARS MOTOR GAVE UP. CIRC WHILE BUILDING DP SLUG. FLOW CHECK BEFORE PUMPING DP SLUG. WELL STATIC. PUMP DP SLUG. MW TO 10.3 PPG. |
| 21:00 | 01:30 | 4.5 | STAND KELLY BACK, DROP SURVEY, PU BAILS & ELEVATORS. TOH, PULLED SLICK OFF BOTTOM W/NO APPRECIABLE DRAG ALL THE WAY OUT OF HOLE. HOLE TOOK PROPER FILL. |
| 01:30 | 02:30 | 1.0 | LD BIT #1 & OLD MOTOR, PU NEW MOTOR & BIT # 2. SURVEY @ 6401', 2 DEG. |
| 02:30 | 06:00 | 3.5 | TIH. BREAK CIRC @ TOP OF BHA, 30 STDS. |

BGG=200-400 U, CG=800-1200 U, HIGH GAS=2499 U-@ 6446', DTG=1341 @ 6185'

LITHOLOGY: SS 55%, SHALE 25%, RED SH 15%, SLTSTN=5%—, 6501' DEPTH @ 04:00 HRS..

MUD WT @ REPORT TIME= 10.3 PPG W/ 36 VIS - IN & OUT

SPR=#1=420PSI @ 64 SPM - @ 5990' DEPTH. SPR #2=N/A

BOP DRIL: DAYS=1 MIN 30 SEC..

BOP DRILL = NIGHTS=N/A

SAFETY MEETINGS: DAYS: WORKING ROTARY TONGS. NIGHTS: MIXING MUD CHEMICALS

FULL CREWS

NO ACCIDENTS REPORTED IN LAST 24 HRS

FUEL START= 4039 GALS.— FUEL END= 3168 GALS.

WEATHER:PARTLY CLOUDY W/ 9 MPH NW BREEZE . TEMP= 38 DEG "F" W/58% HUMIDITY.

05-31-2006 Reported By STRONG

| | | | | | |
|------------------------------|-----------|-------------------|---------|--------------------|-----------|
| Daily Costs: Drilling | \$68,561 | Completion | \$3,781 | Daily Total | \$72,342 |
| Cum Costs: Drilling | \$519,946 | Completion | \$3,781 | Well Total | \$523,727 |

| | | | | | | | | | | | |
|-----------|-------|------------|-------|-----------------|-----|-------------|---|-----------|-----|-------------|-----|
| MD | 7,156 | TVD | 7,156 | Progress | 646 | Days | 5 | MW | 0.0 | Visc | 0.0 |
|-----------|-------|------------|-------|-----------------|-----|-------------|---|-----------|-----|-------------|-----|

Formation : PBTB : 0.0 Perf : PKR Depth : 0.0

Activity at Report Time: DRILLING

| Start | End | Hrs | Activity Description |
|-------|-------|-----|--|
| 06:00 | 08:00 | 2.0 | FIN TIH W/NEW MOTOR & BIT TO 7400'. |
| 08:00 | 09:00 | 1.0 | KELLY UP, FILL PIPE, WASH/REAM 6400'–6504'. NO FLARE, FLARE AFTER BREAKING CIRC. NO FLARE @ BTMS UP. |
| 09:00 | 18:00 | 9.0 | BREAK IN BIT. DRILL ROT 6504' TO 6700', 196' @ 21.7 FPH, WOB 15/18, RPM 57/60, 367 GPM, MTR RPM 58, TOT RPM 112–117, W/.16 RPM, GAL M M. |
| 18:00 | 00:00 | 6.0 | DRILL ROT 6700' TO 6930', 230' @ 38.3 FPH, WOB 15/18, RPM 57/60, 367 GPM, MTR RPM 58, TOT RPM 112–117, W/.16 RPM GAL M M. |
| 00:00 | 06:00 | 6.0 | DRILL ROT 6930' TO 7156', 226' @ 37.6 FPH, WOB 15/18, RPM 57/60, 367 GPM, MTR RPM 58, TOT RPM 112–117, W/.16 RPM GAL M M. |

BGG 200–400U, CG800–1200U, HIGH GAS 2253U @ 6655', TG 1327U @ 6504'

LITHOLOGY: SS 35%, SHALE 20%, CARB SH 20%, SLTSTN 25% @ 7085' DEPTH @ 04:00 HRS

MUD WT @ REPORT TIME 10.3 PPG W/39 VIS IN & OUT

SPR-#1=745PSI @ 60 SPM – @ 6681' DEPTH. SPR #2–N/A

BOP DRILL DAYS: 1 MIN 30 SEC

BOP DRILL NIGHTS: 55 SEC

SAFETY MEETINGS: DAYS/TRIPPING PIPE/NIGHTS/FORKLIFT

FULL CREWS

NO ACCIDENTS REPORTED IN LAST 24 HRS

FUEL START 3168 GALS, FUEL END 2296 GALS

TEMP 45 DEG

TRANSFERRED 2 JTS (79.09") 4.5", 11.6#, N–80, LTC CSG BACK TO BUNNING YARD IN ROCK SPRINGS. BOTH JTS WERE DAMAGED WHEN DELIVERED TO SCW 14–3X. ONE HAS A MASHED PIN & THE OTHER HAS A MASHED COLLAR.

05–31–2006 Reported By STRONG

| | | | | | |
|-----------------------|-----------|------------|---------|-------------|-----------|
| Daily Costs: Drilling | \$68,561 | Completion | \$3,781 | Daily Total | \$72,342 |
| Cum Costs: Drilling | \$519,946 | Completion | \$3,781 | Well Total | \$523,727 |
| MD | 7,156 | TVD | 7,156 | Progress | 646 |
| Days | 5 | MW | 10.5 | Visc | 60.0 |

Formation : PBTB : 0.0 Perf : PKR Depth : 0.0

Activity at Report Time: DRILLING

| Start | End | Hrs | Activity Description |
|-------|-------|-----|--|
| 06:00 | 08:00 | 2.0 | FIN TIH W/NEW MOTOR & BIT TO 7400'. |
| 08:00 | 09:00 | 1.0 | KELLY UP, FILL PIPE, WASH/REAM 6400'–6504'. NO FLARE, FLARE AFTER BREAKING CIRC. NO FLARE @ BTMS UP. |
| 09:00 | 18:00 | 9.0 | BREAK IN BIT. DRILL ROT 6504' TO 6700', 196' @ 21.7 FPH, WOB 15/18, RPM 57/60, 367 GPM, MTR RPM 58, TOT RPM 112–117, W/.16 RPM, GAL M M. |
| 18:00 | 00:00 | 6.0 | DRILL ROT 6700' TO 6930', 230' @ 38.3 FPH, WOB 15/18, RPM 57/60, 367 GPM, MTR RPM 58, TOT RPM 112–117, W/.16 RPM GAL M M. |
| 00:00 | 06:00 | 6.0 | DRILL ROT 6930' TO 7156', 226' @ 37.6 FPH, WOB 15/18, RPM 57/60, 367 GPM, MTR RPM 58, TOT RPM 112–117, W/.16 RPM GAL M M. |

BGG 200-400U, CG800-1200U, HIGH GAS 2253U @ 6655', TG 1327U @ 6504'
 LITHOLOGY: SS 35%, SHALE 20% , CARB SH 20%, SLTSTN 25% @ 7085' DEPTH @ 04:00 HRS
 MUD WT @ REPORT TIME 10.3 PPG W/39 VIS IN & OUT
 SPR=#1=745PSI @ 60 SPM - @ 6681' DEPTH. SPR #2-N/A

BOP DRILL DAYS: 1 MIN 30 SEC

BOP DRILL NIGHTS: 55 SEC

SAFETY MEETINGS: DAYS/TRIPPING PIPE/NIGHTS/FORKLIFT

FULL CREWS

NO ACCIDENTS REPORTED IN LAST 24 HRS

FUEL START 3168 GALS, FUEL END 2296 GALS

TEMP 45 DEG

TRANSFERRED 2 JTS (79.09') 4.5", 11.6#, N-80, LTC CSG BACK TO BUNNING YARD IN ROCK SPRINGS. BOTH JTS WERE DAMAGED WHEN DELIVERED TO SCW 14-3X. ONE HAS A MASHED PIN & THE OTHER HAS A MASHED COLLAR.

05-31-2006 Reported By STRONG

Daily Costs: Drilling \$68,561 Completion \$3,781 Daily Total \$72,342

Cum Costs: Drilling \$519,946 Completion \$3,781 Well Total \$523,727

MD 7,156 TVD 7,156 Progress 646 Days 5 MW 0.0 Visc 0.0

Formation : PBT D : 0.0 Perf : PKR Depth : 0.0

Activity at Report Time: DRILLING

| Start | End | Hrs | Activity Description |
|-------|-------|-----|--|
| 06:00 | 08:00 | 2.0 | FIN TIH W/NEW MOTOR & BIT TO 7400'. |
| 08:00 | 09:00 | 1.0 | KELLY UP, FILL PIPE, WASH/REAM 6400'-6504'. NO FLARE, FLARE AFTER BREAKING CIRC. NO FLARE @ BTMS UP. |
| 09:00 | 18:00 | 9.0 | BREAK IN BIT, DRILL ROT 6504' TO 6700', 196' @ 21.7 FPH, WOB 15/18, RPM 57/60, 367 GPM, MTR RPM 58, TOT RPM 112-117, W/.16 RPM, GAL M M. |
| 18:00 | 00:00 | 6.0 | DRILL ROT 6700' TO 6930', 230' @ 38.3 FPH, WOB 15/18, RPM 57/60, 367 GPM, MTR RPM 58, TOT RPM 112-117, W/.16 RPM GAL M M. |
| 00:00 | 06:00 | 6.0 | DRILL ROT 6930' TO 7156', 226' @ 37.6 FPH, WOB 15/18, RPM 57/60, 367 GPM, MTR RPM 58, TOT RPM 112-117, W/.16 RPM GAL M M. |

BGG 200-400U, CG800-1200U, HIGH GAS 2253U @ 6655', TG 1327U @ 6504'
 LITHOLOGY: SS 35%, SHALE 20% , CARB SH 20%, SLTSTN 25% @ 7085' DEPTH @ 04:00 HRS
 MUD WT @ REPORT TIME 10.3 PPG W/39 VIS IN & OUT
 SPR=#1=745PSI @ 60 SPM - @ 6681' DEPTH. SPR #2-N/A

BOP DRILL DAYS: 1 MIN 30 SEC

BOP DRILL NIGHTS: 55 SEC

SAFETY MEETINGS: DAYS/TRIPPING PIPE/NIGHTS/FORKLIFT

FULL CREWS

NO ACCIDENTS REPORTED IN LAST 24 HRS

FUEL START 3168 GALS, FUEL END 2296 GALS

TEMP 45 DEG

TRANSFERRED 2 JTS (79.09') 4.5", 11.6#, N-80, LTC CSG BACK TO BUNNING YARD IN ROCK SPRINGS. BOTH JTS WERE DAMAGED WHEN DELIVERED TO SCW 14-3X. ONE HAS A MASHED PIN & THE OTHER HAS A MASHED COLLAR.

06-01-2006 Reported By MELDER

| | | | | | |
|-----------------------|-----------|------------|---------|-------------|-----------|
| Daily Costs: Drilling | \$35,756 | Completion | \$389 | Daily Total | \$36,145 |
| Cum Costs: Drilling | \$555,702 | Completion | \$4,170 | Well Total | \$559,872 |

| | | | | | | | | | | | |
|----|-------|-----|-------|----------|-----|------|---|----|------|------|------|
| MD | 7,713 | TVD | 7,713 | Progress | 557 | Days | 6 | MW | 10.3 | Visc | 41.0 |
|----|-------|-----|-------|----------|-----|------|---|----|------|------|------|

| | | | |
|-------------|------------|--------|-----------------|
| Formation : | PBTD : 0.0 | Perf : | PKR Depth : 0.0 |
|-------------|------------|--------|-----------------|

Activity at Report Time: CIRC, RAISE MW F/TRIP.

| Start | End | Hrs | Activity Description |
|-------|-------|-------|--|
| 06:00 | 15:45 | 9.75 | DRILL ROTATE 7156' - 7441', RPM 55+62, WOB 15/20, 29 FPH. |
| 15:45 | 16:15 | 0.5 | SERVICE RIG. |
| 16:15 | 04:00 | 11.75 | DRILL ROTATE 7441' - 7713', RPM 55+60, 18-20K WOB, 23.1 FPH. P-RATE DROPPED TO 10 FPH W/LITTLE TO NO DIFFERENTIAL. METAL IN SAMPLES. 5-7' FLARE W/10.4 PPG MW. |
| 04:00 | 06:00 | 2.0 | CIRCULATE, RAISE MW FOR BIT TRIP. |

SAFETY MTGS: BOP DRILL, MUD PUMPS.

WEATHER: CLEAR, SLIGHT BREEZE, 56 DEG.

FUEL: 1188 GAL ON HAND, USED 1108 GAL.

BGG: 1000-1500U, CG: 800-1200U, HIGH GAS: 3540U @ 7218'.

LITHOLOGY: 45% SS, 30% CARB SH, 25% SLTSTN.

FORMATION TOPS: PRICE RIVER @ 6059', PRICE RIVER M @ 7086'.

CREWS: FULL.

CURRENT MW @ 10.6 PPG IN, 10.4+ PPG OUT.

06-01-2006 Reported By MELDER

| | | | | | |
|-----------------------|-----------|------------|---------|-------------|-----------|
| Daily Costs: Drilling | \$35,756 | Completion | \$389 | Daily Total | \$36,145 |
| Cum Costs: Drilling | \$555,702 | Completion | \$4,170 | Well Total | \$559,872 |

| | | | | | | | | | | | |
|----|-------|-----|-------|----------|-----|------|---|----|-----|------|-----|
| MD | 7,713 | TVD | 7,713 | Progress | 557 | Days | 6 | MW | 0.0 | Visc | 0.0 |
|----|-------|-----|-------|----------|-----|------|---|----|-----|------|-----|

| | | | |
|-------------|------------|--------|-----------------|
| Formation : | PBTD : 0.0 | Perf : | PKR Depth : 0.0 |
|-------------|------------|--------|-----------------|

Activity at Report Time: CIRC, RAISE MW F/TRIP.

| Start | End | Hrs | Activity Description |
|-------|-------|-------|--|
| 06:00 | 15:45 | 9.75 | DRILL ROTATE 7156' - 7441', RPM 55+62, WOB 15/20, 29 FPH. |
| 15:45 | 16:15 | 0.5 | SERVICE RIG. |
| 16:15 | 04:00 | 11.75 | DRILL ROTATE 7441' - 7713', RPM 55+60, 18-20K WOB, 23.1 FPH. P-RATE DROPPED TO 10 FPH W/LITTLE TO NO DIFFERENTIAL. METAL IN SAMPLES. 5-7' FLARE W/10.4 PPG MW. |
| 04:00 | 06:00 | 2.0 | CIRCULATE, RAISE MW FOR BIT TRIP. |

SAFETY MTGS: BOP DRILL, MUD PUMPS.

WEATHER: CLEAR, SLIGHT BREEZE, 56 DEG.

FUEL: 1188 GAL ON HAND, USED 1108 GAL.

BGG: 1000-1500U, CG: 800-1200U, HIGH GAS: 3540U @ 7218'.
 LITHOLOGY: 45% SS, 30% CARB SH, 25% SLTSTN.
 FORMATION TOPS: PRICE RIVER @ 6059', PRICE RIVER M @ 7086'.

CREWS: FULL.

CURRENT MW @ 10.6 PPG IN , 10.4+ PPG OUT.

06-01-2006 Reported By MELDER

| | | | | | |
|-----------------------|-----------|------------|---------|-------------|-----------|
| Daily Costs: Drilling | \$35,756 | Completion | \$389 | Daily Total | \$36,145 |
| Cum Costs: Drilling | \$555,702 | Completion | \$4,170 | Well Total | \$559,872 |

| | | | | | | | | | | | |
|----|-------|-----|-------|----------|-----|------|---|----|-----|------|-----|
| MD | 7.713 | TVD | 7.713 | Progress | 557 | Days | 6 | MW | 0.0 | Visc | 0.0 |
|----|-------|-----|-------|----------|-----|------|---|----|-----|------|-----|

| | | | |
|-------------|------------|--------|-----------------|
| Formation : | PBTD : 0.0 | Perf : | PKR Depth : 0.0 |
|-------------|------------|--------|-----------------|

Activity at Report Time: CIRC, RAISE MW F/TRIP.

| Start | End | Hrs | Activity Description |
|-------|-------|-------|--|
| 06:00 | 15:45 | 9.75 | DRILL ROTATE 7156' - 7441', RPM 55+62, WOB 15/20, 29 FPH. |
| 15:45 | 16:15 | 0.5 | SERVICE RIG. |
| 16:15 | 04:00 | 11.75 | DRILL ROTATE 7441' - 7713', RPM 55+60, 18-20K WOB, 23.1 FPH. P-RATE DROPPED TO 10 FPH W/LITTLE TO NO DIFFERENTIAL, METAL IN SAMPLES. 5-7' FLARE W/10.4 PPG MW. |
| 04:00 | 06:00 | 2.0 | CIRCULATE, RAISE MW FOR BIT TRIP. |

SAFETY MTGS: BOP DRILL, MUD PUMPS.
 WEATHER: CLEAR, SLIGHT BREEZE, 56 DEG.
 FUEL: 1188 GAL ON HAND, USED 1108 GAL.

BGG: 1000-1500U, CG: 800-1200U, HIGH GAS: 3540U @ 7218'.
 LITHOLOGY: 45% SS, 30% CARB SH, 25% SLTSTN.
 FORMATION TOPS: PRICE RIVER @ 6059', PRICE RIVER M @ 7086'.

CREWS: FULL.

CURRENT MW @ 10.6 PPG IN , 10.4+ PPG OUT.

06-02-2006 Reported By MELDER

| | | | | | |
|-----------------------|-----------|------------|---------|-------------|-----------|
| Daily Costs: Drilling | \$52,325 | Completion | \$0 | Daily Total | \$52,325 |
| Cum Costs: Drilling | \$608,028 | Completion | \$4,170 | Well Total | \$612,198 |

| | | | | | | | | | | | |
|----|-------|-----|-------|----------|----|------|---|----|------|------|------|
| MD | 7.724 | TVD | 7.724 | Progress | 11 | Days | 7 | MW | 10.8 | Visc | 35.0 |
|----|-------|-----|-------|----------|----|------|---|----|------|------|------|

| | | | |
|-------------|------------|--------|-----------------|
| Formation : | PBTD : 0.0 | Perf : | PKR Depth : 0.0 |
|-------------|------------|--------|-----------------|

Activity at Report Time: DRILLING AHEAD @ 7724'.

| Start | End | Hrs | Activity Description |
|-------|-------|------|--|
| 06:00 | 08:45 | 2.75 | CIRCULATE, RAISE MW TO 10.8 PPG. MIX & PUMP PILL. DROP SURVEY. |
| 08:45 | 09:30 | 0.75 | STAND BACK KELLY, PU BALES & ELEVATORS. ATTEMPT TO PULL. PULLED TIGHT 4' UP ON FIRST STAND. ATTEMPT TO WORK UP HOLE W/NO SUCCESS. PICK UP KELLY. HOLE PACKED OFF. LOST 30 BBLS MUD. WORK PIPE, REGAIN CIRC. WORK 4 JTS UP HOLE & LAY DOWN. PULLED 1ST 3 JTS W/PUMP ON. |
| 09:30 | 14:30 | 5.0 | CIRCULATE, MIX & PUMP HIGH VIS SWEEP. HOLE SEEPING, LOST 20 BBLS IN 35 MIN. MIX LCM (POLYSWELL & FIBERSEAL), BUILD VOLUME. RAISE VIS TO 38. MIX PILL. |

14:30 21:30 7.0 PUMP PILL, STAND BACK KELLY, PU BALES & ELEVATORS. TOH W/SLM (NO CORRECTION). PULLED TIGHT @ 6300' (38K OVER), WORKED TIGHT HOLE @ 6275' - 6260' (45K OVER). ATTEMPTED TO DRAIN MTR, MTR STARTED UNSCREWING @ BREAK 4' ABOVE BIT BOX. NO PLUGGED NOZZLES ON BIT.

21:30 22:30 1.0 LD BIT & MTR. PU NEW BIT & MTR.

22:30 04:00 5.5 TRIP IN HOLE, NO PROBLEMS ON TIH. FILL PIPE, BREAK CIRC @ 1790', 5000'.

04:00 05:30 1.5 WASH/REAM 7559' - 7713'.

05:30 06:00 0.5 BREAK IN BIT. DRILL ROTATE 7713' - 7724', RPM 46+62, 5-12K WOB, 22 FPH.

SAFETY MTGS: TRIPPING.

WEATHER: CLEAR, CALM, 63 DEG.

FUEL: RECEIVED 4500 GAL., ON HAND: 5068 GAL, USED: 540 GAL.

CREWS: FULL.

CURRENT MW @ 10.8 PPG.

SURVEY @ 7647' - 2.5 DEG.

TRIP GAS: 2263U W/20-25' FLARE.

06-03-2006 Reported By MELDER

| | | | | | |
|----------------------|----------|------------|-----|-------------|----------|
| DailyCosts: Drilling | \$31,623 | Completion | \$0 | Daily Total | \$31,623 |
|----------------------|----------|------------|-----|-------------|----------|

| | | | | | |
|---------------------|-----------|------------|---------|------------|-----------|
| Cum Costs: Drilling | \$639,651 | Completion | \$4,170 | Well Total | \$643,821 |
|---------------------|-----------|------------|---------|------------|-----------|

| | | | | | | | | | | | |
|----|-------|-----|-------|----------|-----|------|---|----|------|------|------|
| MD | 8.315 | TVD | 8.315 | Progress | 591 | Days | 8 | MW | 10.8 | Visc | 38.0 |
|----|-------|-----|-------|----------|-----|------|---|----|------|------|------|

| | | | |
|-------------|------------|--------|-----------------|
| Formation : | PBTD : 0.0 | Perf : | PKR Depth : 0.0 |
|-------------|------------|--------|-----------------|

Activity at Report Time: LD DP

| Start | End | Hrs | Activity Description |
|-------|-------|------|--|
| 06:00 | 10:00 | 4.0 | DRILL ROTATE 7724' - 7890', RPM 55+62, 18K WOB, 42 FPH. |
| 10:00 | 10:30 | 0.5 | CLEAN LCM OUT OF SUCTION SCREEN ON PUMP. |
| 10:30 | 16:45 | 6.25 | DRILL ROTATE 7890' - 8198', RPM 50+62, 18-20K WOB, 49 FPH. |
| 16:45 | 17:15 | 0.5 | SERVICE RIG. |
| 17:15 | 19:45 | 2.5 | DRILL ROTATE 8198' - 8315' TD, RPM 50+62, 18-20K WOB, 47 FPH. REACHED TD AT 19:45 HRS, 6/2/06. |
| 19:45 | 22:30 | 2.75 | PUMP HIGH VIS SWEEP. CIRCULATE RAISE MW TO 11.0 PPG. MIX & PUMP PILL. BGG 715U, NO FLARE. |
| 22:30 | 23:30 | 1.0 | STAND BACK KELLY, PU BALES & ELEVATORS. SHORT TRIP 10 STDS. PULLED TIGHT @ 7730' (28K OVER). |
| 23:30 | 01:00 | 1.5 | CIRCULATE FOR LD DP. MIX & PUMP HI VIS SWEEP. MIX & PUMP PILL. BGG @ 440U W/NO FLARE> |
| 01:00 | 06:00 | 5.0 | DROP SURVEY. LD DRILL PIPE. |

SAFETY MEETING: TRIPPING/LAYING DOWN DRILL PIPE

TEMP 66 DEG

FUEL 4276 GAL ON HAND, USED 792 GAL

CREWS FULL

BGG 900-1500U, CG 1600-2200U, TG 2246U

LITHOLOGY 45%SS, 30% CARB SH, 20% SLTSTN, 5% SH

FORMATION TOPS PRICE RIVER L @ 7759', SEGO @ 8229'

CURRENT MW @ 11.0 PPG

06-04-2006 Reported By MELDER

| | | | | | |
|----------------------|----------|------------|-----------|-------------|-----------|
| DailyCosts: Drilling | \$31,682 | Completion | \$134,873 | Daily Total | \$166,556 |
|----------------------|----------|------------|-----------|-------------|-----------|

| | | | | | |
|----------------------------|-----------|-------------------|-----------|------------------------|-----------|
| Cum Costs: Drilling | \$671,334 | Completion | \$139,043 | Well Total | \$810,377 |
| MD | 8,315 | TVD | 8,315 | Progress | 0 |
| | | | | Days | 9 |
| | | | | MW | 0.0 |
| Formation : | | PBTD : 0.0 | | Perf : | |
| | | | | PKR Depth : 0.0 | |

Activity at Report Time: WO COMPLETION

| Start | End | Hrs | Activity Description |
|-------|-------|------|--|
| 06:00 | 07:15 | 1.25 | LD DRILL PIPE. |
| 07:15 | 08:15 | 1.0 | BREAK KELLY. |
| 08:15 | 10:15 | 2.0 | LD BHA. |
| 10:15 | 10:30 | 0.25 | PULL WEAR BUSHING. |
| 10:30 | 11:00 | 0.5 | CLEAN UP RIG FLOOR. |
| 11:00 | 11:30 | 0.5 | PJSM W/FRANKS WESTATES CSG. RU CASING CREW. |
| 11:30 | 18:45 | 7.25 | RUN 208 JTS (206 FULL JTS + 2 MARKER JTS) OF 4.5" JTS, 11.6#, N-80, LTC CSG. LANDED AT 8303' KB. RAN AS FOLLOWS: FLOAT SHOE, 1 JT CSG, FLOAT COLLAR, 55 JTS CSG, MARKER JT, 55 JTS CSG, MARKER JT, 95 JTS CSG, PUP JT, CSG HANGER.SHOE @ 8303, FLOAT COLLAR @ 8260', MARKER JTS @ 6045' & 3820'. 1 CZR 5' UP ON SHOE JT, TOP OF 2ND JT, THEN EVERY OTHER JT TO 400' ABOVE ISLAND TOP (30 TOTAL). THREAD LOCK SHOE, FLOAT COLLAR, TOP OF 2ND JT. MAKE UP HANGER & LANDING JT. CLAMP ROT HEAD RUBBER. LAND HANGER, PICK UP 2'. |
| 18:45 | 19:00 | 0.25 | ATTEMPT TO MU CMTG HEAD. HEAD WOULD NOT MATE UP W/SWAGE. |
| 19:00 | 20:30 | 1.5 | MU CIRC SWAGE. CIRC CSG @ 8.4 BPM, 600 PSI. CIRC OUT GAS. |
| 20:30 | 21:00 | 0.5 | MU CMTG HEAD. PJSM W/SCHLUMBERGER. |
| 21:00 | 23:00 | 2.0 | TESTED LINES TO 4500 PSI. PUMP 20 BBLS CHEMICAL WASH, 20 BBLS FRESH WATER SPACER. PUMP 265 SX (141 BBLS) HILIFT G LEAD CMT W/10% D020, .2% D167, .2% D046, .5% D013, .125 PPS D130, .5% D065 @ 11.5 PPG, 2.98 FT3/SK. PUMP 1365 SX (314 BBLS) 50/50 POZ G TAIL CMT W/2% D020, .1% D046, .2% D065, .2% D167 @ 14.1 PPG, 1.29 FT3/SK. WASH UP LINES, DROP PLUG. DISPLACE W/128 BBLS FW. FPP 2100 PSI, BUMP PLUG W/2900 PSI. CIP @ 22:55 HRS ON 6-3-06. FULL MUD RETURNS. FLOATS HELD OK. LAND CSG ON HANGER W/70K. |
| 23:00 | 00:00 | 1.0 | SHUT IN CMTG HEAD. TEST HANGER SEALS TO 5000 PSI. DUMP & START CLEANING MUD TANKS. START NIPPLING DOWN BOP STACK. RD CMTG HEAD, BACK OUT & LD LANDING JT 1 HOUR AFTER BUMPING PLUG. . |
| 00:00 | 04:00 | 4.0 | ND BOPS. CLEAN MUD TANKS. |
| 04:00 | 06:00 | 2.0 | RIG DOWN F/MOVE TO SCW 19-3. |

NOTIFIED MICHAEL LEE W/VERNAL BLM OF CSG & CMT JOB @ 08:00 HRS, 6/3/06

SAFETY MEETING: LDDP/RUNNING CSG/CEMENTING/ND BOPS

TEMP 62 DEG

FUEL 3880 GAL ON HAND, USED 396 GAL

CREWS DAYLIGHTS FULL, NIGHTS SHORT ONE

MATERIALS TO BE TRANSFERRED TO SCW 19-3, 8 JOINTS CASING (324.27') + ONE MARKER JT @ 21.92'

TRANSFERRED 3880 GAL DIESEL @ \$2.82/GAL

TRUCKS SCHEDULED FOR MONDAY MORNING

MOVED .7 MILE

06:00 18.0 RIG RELEASED @ 04:00 HRS, 6/4/06.

CASING POINT COST \$671,334

06-13-2006

Reported By

SEARLE

| | | | | | |
|------------------------------|-------------------|-------------------|---------------|------------------------|-----------|
| Daily Costs: Drilling | \$0 | Completion | \$42,840 | Daily Total | \$42,840 |
| Cum Costs: Drilling | \$671,334 | Completion | \$181,883 | Well Total | \$853,217 |
| MD | 8.315 | TVD | 8.315 | Progress | 0 |
| | | | | Days | 10 |
| | | | | MW | 0.0 |
| | | | | Visc | 0.0 |
| Formation : | PBTD : 0.0 | | Perf : | PKR Depth : 0.0 | |

Activity at Report Time: LOG

| Start | End | Hrs | Activity Description |
|-------|-----|-----|----------------------|
|-------|-----|-----|----------------------|

24.0 MIRU SCHLUMBERGER. LOG WITH RST/CBL/CCL/VDL/GR FROM PBTD TO 1000'. CEMENT TOP ABOVE 1000'. RD SCHLUMBERGER.

06-17-2006 Reported By MCCURDY

| | | | | | |
|------------------------------|----------------------|-------------------|---------------|------------------------|-----------|
| Daily Costs: Drilling | \$0 | Completion | \$1,520 | Daily Total | \$1,520 |
| Cum Costs: Drilling | \$671,334 | Completion | \$183,403 | Well Total | \$854,737 |
| MD | 8.315 | TVD | 8.315 | Progress | 0 |
| | | | | Days | 11 |
| | | | | MW | 0.0 |
| | | | | Visc | 0.0 |
| Formation : MESAVERDE | PBTD : 8260.0 | | Perf : | PKR Depth : 0.0 | |

Activity at Report Time: PREP TO FRAC

| Start | End | Hrs | Activity Description |
|-------|-----|-----|----------------------|
|-------|-----|-----|----------------------|

06:00 09:00 3.0 NU 10M FRAC TREE. PRESSURE TEST FRAC TREE & CASING TO 6500 PSIG. PREP FOR FRAC 6/19.

06-22-2006 Reported By MCCURDY

| | | | | | |
|------------------------------|----------------------|-------------------|-------------------------|------------------------|-----------|
| Daily Costs: Drilling | \$0 | Completion | \$23,202 | Daily Total | \$23,202 |
| Cum Costs: Drilling | \$671,334 | Completion | \$206,605 | Well Total | \$877,939 |
| MD | 8.315 | TVD | 8.315 | Progress | 0 |
| | | | | Days | 12 |
| | | | | MW | 0.0 |
| | | | | Visc | 0.0 |
| Formation : MESAVERDE | PBTD : 8260.0 | | Perf : 6344-8137 | PKR Depth : 0.0 | |

Activity at Report Time: FRAC UPR

| Start | End | Hrs | Activity Description |
|-------|-----|-----|----------------------|
|-------|-----|-----|----------------------|

06:00 18:00 12.0 RU CUTTERS WIRELINE. PERFORATED LPR FROM 7924'-25', 7934'-35', 7992'-93', 8014'-15', 8044'-45', 8054'-56', 8066'-68', 8116'-18', 8128'-30' & 8136'-37' @ 2 SPF & 180° PHASING. RU SCHLUMBERGER. FRAC DOWN CASING WITH 165 GAL GYPTRON T-106, 4947 GAL YF125ST+ PAD, 50451 GAL YF125ST+ & YF118ST+ WITH 167400# 20/40 SAND @ 1-6 PPG. MTP 5637 PSIG. MTR 50.4 BPM. ATP 4755 PSIG. ATR 49.4 BPM. ISIP 2710 PSIG. RD SCHLUMBERGER.

RUWL. SET 10K CFP AT 7882'. PERFORATED LPR/MPR FROM 7570'-71', 7591'-92', 7597'-98', 7617'-18', 7626'-27', 7641'-42', 7654'-55', 7659'-60', 7715'-16', 7779'-80', 7785'-86', 7808'-09', 7816'-17' & 7851'-52' @ 2 SPF & 180° PHASING. RDWL. RU SCHLUMBERGER. FRAC DOWN CASING WITH 165 GAL GYPTRON T-106, 4959 GAL YF125ST+ PAD, 54891 GAL YF125ST+ & YF118ST+ WITH 191300# 20/40 SAND @ 1-6 PPG. MTP 6551 PSIG. MTR 50.3 BPM. ATP 5730 PSIG. ATR 40.9 BPM. ISIP 3100 PSIG. RD SCHLUMBERGER.

RUWL. SET 10K CFP AT 7530'. PERFORATED MPR FROM 7251'-52', 7266'-68', 7282'-84', 7389'-90', 7404'-06', 7414'-15', 7461'-62', 7467'-68' & 7484'-85' @ 3 SPF & 120° PHASING. RDWL. RU SCHLUMBERGER. FRAC DOWN CASING WITH 165 GAL GYPTRON T-106, 4946 GAL YF125ST+ PAD, 54400 GAL YF125ST+ & YF118ST+ WITH 191500# 20/40 SAND @ 1-6 PPG. MTP 6103 PSIG. MTR 50.4 BPM. ATP 4926 PSIG. ATR 48.2 BPM. ISIP 2470 PSIG. RD SCHLUMBERGER.

RUWL. SET 10K CFP AT 7225'. PERFORATED MPR/UPR FROM 6985'-86', 7006'-08', 7016'-17', 7072'-73', 7088'-90', 7117'-18', 7162'-64', 7174'-76', 7196'-97' & 7202'-03' @ 2 SPF & 180° PHASING. RDWL. RU SCHLUMBERGER. FRAC DOWN CASING WITH 165 GAL GYPTRON T-106, 4940 GAL YF123ST+ PAD, 54280 GAL YF123ST+ & YF118ST+ WITH 191300# 20/40 SAND @ 1-6 PPG. MTP 6073 PSIG. MTR 50.3 BPM. ATP 4855 PSIG. ATR 49.0 BPM. ISIP 2180 PSIG. RD SCHLUMBERGER.

RUWL. SET 10K CFP AT 6944'. PERFORATED UPR FROM 6726'-27', 6738'-39', 6768'-69', 6775'-76', 6796'-97', 6808'-09', 6832'-34', 6846'-48', 6858'-60', 6896'-97' & 6917'-18' @ 2 SPF & 180' PHASING. RDWL. RU SCHLUMBERGER. FRAC DOWN CASING WITH 165 GAL GYPTRON T-106, 4935 GAL YF123ST+ PAD, 54075 GAL YF123ST+ & YF118ST+ WITH 191400# 20/40 SAND @ 1-6 PPG. MTP 5939 PSIG. MTR 50.4 BPM. ATP 3936 PSIG. ATR 48.5 BPM. ISIP 1880 PSIG. RD SCHLUMBERGER.

RUWL. SET 10K CFP AT 6687'. PERFORATED UPR FROM 6344'-46', 6358'-60', 6384'-85', 6438'-40', 6494'-95', 6564'-65', 6616'-17' & 6655'-57' @ 3 SPF & 120' PHASING. RDWL. SDFN.

06-23-2006 Reported By MCCURDY

| | | | | | |
|-----------------------|---------------|------------------|-----------------|-------------|-----------|
| Daily Costs: Drilling | \$0 | Completion | \$2,845 | Daily Total | \$2,845 |
| Cum Costs: Drilling | \$671,334 | Completion | \$209,450 | Well Total | \$880,784 |
| MD | 8,315 | TVD | 8,315 | Progress | 0 |
| Days | 13 | MW | 0.0 | Visc | 0.0 |
| Formation : MESAVERDE | PBTD : 8260.0 | Perf : 6344-8137 | PKR Depth : 0.0 | | |

Activity at Report Time: FLOW TEST

| Start | End | Hrs | Activity Description |
|-------|-----|-----|----------------------|
|-------|-----|-----|----------------------|

| | | | |
|-------|-------|------|---|
| 06:00 | 06:00 | 24.0 | SICP 379 PSIG. RU SCHLUMBERGER. STARTED FRAC BUT HAD TO ABORT DUE TO EXCESSIVE GEL LOADING BY PCM OPERATOR DURING JOB. 1200# 1-2 PPG 20/40 SAND IN FORMATION. PUMPED 165 GAL GYPTRON T-106 & 270 BBLs GELLED WATER TOTAL WITH PRESSURE INCREASING FROM 4400 PSIG TO 6000 PSIG. 1-2 PPG, MTP 6200 PSIG, MTR 50.3 BPM, ATP 4299 PSIG, ATR 50 BPM, ISIP 700 PSIG. RD BJ. |
|-------|-------|------|---|

FLOWED 100 BLW IN 19 HRS, SLUGGING FLUID @ 2 AM.

06-24-2006 Reported By MCCURDY / HOOLEY

| | | | | | |
|-----------------------|---------------|------------------|-----------------|-------------|-----------|
| Daily Costs: Drilling | \$0 | Completion | \$60,915 | Daily Total | \$60,915 |
| Cum Costs: Drilling | \$671,334 | Completion | \$270,365 | Well Total | \$941,699 |
| MD | 8,315 | TVD | 8,315 | Progress | 0 |
| Days | 14 | MW | 0.0 | Visc | 0.0 |
| Formation : MESAVERDE | PBTD : 8260.0 | Perf : 6344-8137 | PKR Depth : 0.0 | | |

Activity at Report Time: DRILL OUT FRAC PLUGS - FLOW BACK

| Start | End | Hrs | Activity Description |
|-------|-----|-----|----------------------|
|-------|-----|-----|----------------------|

| | | | |
|-------|-------|------|---|
| 06:30 | 17:00 | 10.5 | RU SCHLUMBERGER. PUMP 5.3 BBLs TO 6500 PSI SHUTDOWN BROKE BACK TO 1430 PSIG. INJECTION RATE 3.8 BBL/MIN @ 1521 PSIG NO INCREASE FOR 43 BBLs. SHUTDOWN. FLUSH WELL WITH 100 BBLs TREATED WATER. 8.1 BBL/MIN @ 1820 PSIG. ISIP 1426 PSIG. RUWL SET CBP @ 6325'. BLEED WELL TO 0 PSIG. POH. RD MO CUTTERS WIRELINE & SCHLUMBERGER. |
|-------|-------|------|---|

MIRU BASIC SERVICE UNIT. ND FRAC TREE, NU BOPE. RIH WITH 3 7/8" BIT. PUMP OFF SUB AND XN NIPPLE PICKING UP USED 2 3/8" L-80 TBG TO CBP. RIG UP POWER SWIVEL AND PUMP LINES. SDFWE.

06-27-2006 Reported By HOOLEY

| | | | | | |
|-----------------------|---------------|------------------|-----------------|-------------|-----------|
| Daily Costs: Drilling | \$0 | Completion | \$11,801 | Daily Total | \$11,801 |
| Cum Costs: Drilling | \$671,334 | Completion | \$282,166 | Well Total | \$953,500 |
| MD | 8,315 | TVD | 8,315 | Progress | 0 |
| Days | 15 | MW | 0.0 | Visc | 0.0 |
| Formation : MESAVERDE | PBTD : 8238.0 | Perf : 6344-8137 | PKR Depth : 0.0 | | |

Activity at Report Time: FLOW TEST

| Start | End | Hrs | Activity Description |
|-------|-----|-----|----------------------|
|-------|-----|-----|----------------------|

| | | | |
|-------|-------|------|--|
| 06:00 | 06:00 | 24.0 | SICP 0 PSIG. CLEANED OUT & DRILLED OUT PLUGS @ 6325', 6687', 6944', 7225', 7530' AND 7882'. RIH. CLEANED OUT TO PBTD @ 8238'. LANDED TBG AT 6323' KB. ND BOPE. NU TREE. PUMPED OFF BIT & SUB. RD MOSU. RECOVERED 300 BLW WHILE DRILLING. |
|-------|-------|------|--|

FLOWED 14 HRS ON 16/64" CHOKE. FTP 1300 PSIG. CP 2200 PSIG. 45 BFPH, RECOVERED 543 BLW, 6525 BLWTR.

TUBING DETAIL LENGTH

PUMP OFF SUB 1.00'
 1 JT 2-3/8" 4.7# L80 TBG 32.75'
 XN NIPPLE 1.10'
 192 JTS 2-3/8" 4.7# L80 TBG 6269.36'
 BELOW KB 19.00'
 LANDED @ 6323.21' KB

06-28-2006 Reported By HOOLEY

| | | | | | |
|-----------------------|---------------|------------------|-----------------|-------------|-----------|
| Daily Costs: Drilling | \$0 | Completion | \$2,150 | Daily Total | \$2,150 |
| Cum Costs: Drilling | \$671,334 | Completion | \$284,316 | Well Total | \$955,650 |
| MD | 8,315 | TVD | 8,315 | Progress | 0 |
| Days | 16 | MW | 0.0 | Visc | 0.0 |
| Formation : MESAVERDE | PBTD : 8238.0 | Perf : 6344-8137 | PKR Depth : 0.0 | | |

Activity at Report Time: FLOW BACK

Start End Hrs Activity Description

06:00 06:00 24.0 FLOWED 24 HRS ON 16/64" & 20/64" CHOKE. FTP 1200 PSIG, CP 2200 PSIG, 36 BFPH. RECOVERED 824 BLW, 5701 BLWTR. WELL RETURNING SLUGS OF HEAVY GEL AT TIMES. NO CONDENSATE.

06-29-2006 Reported By HOOLEY

| | | | | | |
|-----------------------|---------------|------------------|-----------------|-------------|-----------|
| Daily Costs: Drilling | \$0 | Completion | \$2,150 | Daily Total | \$2,150 |
| Cum Costs: Drilling | \$671,334 | Completion | \$286,466 | Well Total | \$957,800 |
| MD | 8,315 | TVD | 8,315 | Progress | 0 |
| Days | 17 | MW | 0.0 | Visc | 0.0 |
| Formation : MESAVERDE | PBTD : 8238.0 | Perf : 6344-8137 | PKR Depth : 0.0 | | |

Activity at Report Time: FLOW TEST

Start End Hrs Activity Description

06:00 06:00 24.0 FLOWED 24 HRS. 16/64" CHOKE. FTP 1100 PSIG. CP 1950 PSIG. 30 BFPH. RECOVERED 824 BLW. 4877 BLWTR.

06-30-2006 Reported By HOOLEY

| | | | | | |
|-----------------------|---------------|------------------|-----------------|-------------|-----------|
| Daily Costs: Drilling | \$0 | Completion | \$750 | Daily Total | \$750 |
| Cum Costs: Drilling | \$671,334 | Completion | \$287,216 | Well Total | \$958,550 |
| MD | 8,315 | TVD | 8,315 | Progress | 0 |
| Days | 18 | MW | 0.0 | Visc | 0.0 |
| Formation : MESAVERDE | PBTD : 8238.0 | Perf : 6344-8137 | PKR Depth : 0.0 | | |

Activity at Report Time: WO FACILITIES

Start End Hrs Activity Description

06:00 09:00 3.0 FLOWED 3 HRS. 20/64" CHOKE. FTP 1100 PSIG. CP 1950 PSIG. 24 BFPH. RECOVERED 75 BLW. 5626 BLWTR. SI. WO FACILITIES.

FINAL COMPLETION DATE: 6/29/06

07-13-2006 Reported By DUANE COOK

| | | | | | |
|-----------------------|-----------|------------|-----------|-------------|-----------|
| Daily Costs: Drilling | \$0 | Completion | \$0 | Daily Total | \$0 |
| Cum Costs: Drilling | \$671,334 | Completion | \$287,216 | Well Total | \$958,550 |
| MD | 8,315 | TVD | 8,315 | Progress | 0 |
| Days | 19 | MW | 0.0 | Visc | 0.0 |

Formation : MESAVERDE PBTD : 8238.0 Perf : 6344-8137 PKR Depth : 0.0

Activity at Report Time: INITIAL PRODUCTION

| Start | End | Hrs | Activity Description |
|-------|-------|------|---|
| 06:00 | 06:00 | 24.0 | INITIAL PRODUCTION. OPENING PRESSURE: TP 1750 & CP 2250 PSI. TURNED WELL OVER TO QUESTAR SALES AT 7:45 AM, 7/12/06. FLOWED 801 MCFD RATE ON 12/64" CHOKE. |

07-14-2006 Reported By DUANE COOK

| | | | | | |
|-----------------------|-----------|------------|-----------|-------------|-----------|
| Daily Costs: Drilling | \$0 | Completion | \$0 | Daily Total | \$0 |
| Cum Costs: Drilling | \$671,334 | Completion | \$287,216 | Well Total | \$958,550 |

| | | | | | | | | | | | |
|----|-------|-----|-------|----------|---|------|----|----|-----|------|-----|
| MD | 8,315 | TVD | 8,315 | Progress | 0 | Days | 20 | MW | 0.0 | Visc | 0.0 |
|----|-------|-----|-------|----------|---|------|----|----|-----|------|-----|

Formation : MESAVERDE PBTD : 8238.0 Perf : 6344-8137 PKR Depth : 0.0

Activity at Report Time: ON SALES

| Start | End | Hrs | Activity Description |
|-------|-------|------|--|
| 06:00 | 06:00 | 24.0 | FLOWED 514 MCFD, 20 BC & 190 BW IN 24 HRS ON 12/64" CK. FTP 1500 PSIG, CP 2050 PSIG. |

07-17-2006 Reported By ROGER DART

| | | | | | |
|-----------------------|-----------|------------|-----------|-------------|-----------|
| Daily Costs: Drilling | \$0 | Completion | \$0 | Daily Total | \$0 |
| Cum Costs: Drilling | \$671,334 | Completion | \$287,216 | Well Total | \$958,550 |

| | | | | | | | | | | | |
|----|-------|-----|-------|----------|---|------|----|----|-----|------|-----|
| MD | 8,315 | TVD | 8,315 | Progress | 0 | Days | 21 | MW | 0.0 | Visc | 0.0 |
|----|-------|-----|-------|----------|---|------|----|----|-----|------|-----|

Formation : MESAVERDE PBTD : 8238.0 Perf : 6344-8137 PKR Depth : 0.0

Activity at Report Time: ON SALES

| Start | End | Hrs | Activity Description |
|-------|-------|------|---|
| 06:00 | 06:00 | 24.0 | 7/15/06 FLOWED 408 MCFD, 27 BC & 120 BW IN 24 HRS ON 12/64" CK. FTP 1400 PSIG, CP 200 PSIG. |

7/16/06 FLOWED 394 MCFD, 31 BC & 205 BW IN 24 HRS ON 14/64" CK. FTP 1400 PSIG, CP 1895 PSIG.

7/17/06 FLOWED 400 MCFD, 26 BC & 176 BW IN 24 HRS ON 14/64" CK. FTP 1400 PSIG, CP 1850 PSIG.

07-18-2006 Reported By ROGER DART

| | | | | | |
|-----------------------|-----------|------------|-----------|-------------|-----------|
| Daily Costs: Drilling | \$0 | Completion | \$0 | Daily Total | \$0 |
| Cum Costs: Drilling | \$671,334 | Completion | \$287,216 | Well Total | \$958,550 |

| | | | | | | | | | | | |
|----|-------|-----|-------|----------|---|------|----|----|-----|------|-----|
| MD | 8,315 | TVD | 8,315 | Progress | 0 | Days | 22 | MW | 0.0 | Visc | 0.0 |
|----|-------|-----|-------|----------|---|------|----|----|-----|------|-----|

Formation : MESAVERDE PBTD : 8238.0 Perf : 6344-8137 PKR Depth : 0.0

Activity at Report Time: ON SALES

| Start | End | Hrs | Activity Description |
|-------|-------|------|---|
| 06:00 | 06:00 | 24.0 | FLOWED 430 MCFD, 3 BC & 105 BW IN 24 HRS ON 14/64" CK. FTP 1350 PSIG, CP 1800 PSIG. |

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENTFORM APPROVED
OMB NO. 1004-0137
Expires: March 31, 2007

WELL COMPLETION OR RECOMPLETION REPORT AND LOG

| | | | | | | | | | |
|--|----------------------|--|-----------------|--|----------------------|---|-----------------------|------------------------|--------------------|
| <div style="display: flex; justify-content: space-between;"><div>1a. Type of Well <input type="checkbox"/> Oil Well <input checked="" type="checkbox"/> Gas Well <input type="checkbox"/> Dry <input type="checkbox"/> Other</div><div>6. If Indian, Allottee or Tribe Name</div></div> <div style="display: flex; justify-content: space-between;"><div>b. Type of Completion: <input checked="" type="checkbox"/> New Well <input type="checkbox"/> Work Over <input type="checkbox"/> Deepen <input type="checkbox"/> Plug Back <input type="checkbox"/> Diff. Resvr., Other _____</div><div>7. Unit or CA Agreement Name and No.</div></div> | | | | | | 5. Lease Serial No. UTU-80613 | | | |
| | | | | | | 8. Lease Name and Well No. South Chapita 17-3 | | | |
| | | | | | | 9. AFI Well No. 43-047-36903 | | | |
| | | | | | | 10. Field and Pool, or Exploratory Natural Buttes/Mesaverde | | | |
| 2. Name of Operator EOG Resources, Inc. | | | | | | 11. Sec., T., R., M., on Block and Survey or Area Sec. 3-T10S-R23E | | | |
| 3. Address 600 17th Street, Suite 1000N, Denver, CO 80202 | | | | 3a. Phone No. (include area code) 303-824-5526 | | 12. County or Parish Uintah County | | 13. State UT | |
| 4. Location of Well (Report location clearly and in accordance with Federal requirements)* At surface 2038' FNL & 2099' FWL (SE/NW) 39.979647 LAT 109.314325 LON At top prod. interval reported below Same At total depth Same | | | | | | 17. Elevations (DF, RKB, RT, GL)* 5381' NAT GL | | | |
| 14. Date Spudded 04/03/2006 | | 15. Date T.D. Reached 06/02/2006 | | 16. Date Completed 07/12/2006 <input type="checkbox"/> D & A <input checked="" type="checkbox"/> Ready to Prod. | | | | | |
| 18. Total Depth: MD 8315' TVD | | 19. Plug Back T.D.: MD 8260' TVD | | 20. Depth Bridge Plug Set: MD TVD | | | | | |
| 21. Type Electric & Other Mechanical Logs Run (Submit copy of each) RST/CBL/CCL/VDL/GR | | | | 22. Was well cored? <input checked="" type="checkbox"/> No <input type="checkbox"/> Yes (Submit analysis) Was DST run? <input checked="" type="checkbox"/> No <input type="checkbox"/> Yes (Submit report) Directional Survey? <input checked="" type="checkbox"/> No <input type="checkbox"/> Yes (Submit copy) | | | | | |
| 23. Casing and Liner Record (Report all strings set in well) | | | | | | | | | |
| Hole Size | Size/Grade | Wt. (#/ft.) | Top (MD) | Bottom (MD) | Stage Cementer Depth | No. of Sks. & Type of Cement | Slurry Vol. (BBL) | Cement Top* | Amount Pulled |
| 12-1/4" | 9-5/8" | 36.0# | J-55 | 0-1922 | | 925 sx | | | |
| 7-7/8" | 4-1/2" | 11.6# | N-80 | 0-8303 | | 1630 sx | | | |
| | | | | | | | | | |
| | | | | | | | | | |
| | | | | | | | | | |
| | | | | | | | | | |
| | | | | | | | | | |
| 24. Tubing Record | | | | | | | | | |
| Size | Depth Set (MD) | Packer Depth (MD) | Size | Depth Set (MD) | Packer Depth (MD) | Size | Depth Set (MD) | Packer Depth (MD) | |
| 2-3/8" | 6323 | | | | | | | | |
| 25. Producing Intervals | | | | | | | | | |
| Formation | | Top | Bottom | Perforated Interval | | Size | No. Holes | Perf. Status | |
| A) Mesaverde | | 6344 | 8137 | 7924-8137 | | | 2/spf | | |
| B) | | | | 7570-7852 | | | 2/spf | | |
| C) | | | | 7251-7485 | | | 3/spf | | |
| D) | | | | 6985-7203 | | | 2/spf | | |
| 27. Acid, Fracture, Treatment, Cement Squeeze, etc. | | | | | | | | | |
| Depth Interval | | Amount and Type of Material | | | | | | | |
| 7924-8137 | | 55,563 GALS GELLED WATER & 167,400# 20/40 SAND | | | | | | | |
| 7570-7852 | | 60,015 GALS GELLED WATER & 191,300# 20/40 SAND | | | | | | | |
| 7251-7485 | | 59,511 GALS GELLED WATER & 191,500# 20/40 SAND | | | | | | | |
| 6985-7203 | | 59,385 GALS GELLED WATER & 191,300# 20/40 SAND | | | | | | | |
| 28. Production - Interval A | | | | | | | | | |
| Date First Produced | Test Date | Hours Tested | Test Production | Oil BBL | Gas MCF | Water BBL | Oil Gravity Corr. API | Gas Gravity | Production Method |
| 07/12/2006 | 07/17/2006 | 24 | → | 3 | 430 | 105 | | | FLOWS FROM WELL |
| Choke Size | Tbg. Press. Flwg. SI | Csg. Press. | 24 Hr. Rate | Oil BBL | Gas MCF | Water BBL | Gas/Oil Ratio | Well Status | |
| 14/64" | SI 1350 | 1800 | → | | | | | | PRODUCING GAS WELL |
| 28a. Production - Interval B | | | | | | | | | |
| Date First Produced | Test Date | Hours Tested | Test Production | Oil BBL | Gas MCF | Water BBL | Oil Gravity Corr. API | Gas Gravity | Production Method |
| | | | → | | | | | | |
| Choke Size | Tbg. Press. Flwg. SI | Csg. Press. | 24 Hr. Rate | Oil BBL | Gas MCF | Water BBL | Gas/Oil Ratio | Well Status | |
| | | | → | | | | | | |

*(See instructions and spaces for additional data on page 2)

28b. Production - Interval C

| Date First Produced | Test Date | Hours Tested | Test Production → | Oil BBL | Gas MCF | Water BBL | Oil Gravity Corr. API | Gas Gravity | Production Method |
|---------------------|----------------------------|--------------|----------------------|---------|---------|-----------|--------------------------|-------------|-------------------|
| Choke Size | Tbg. Press. Flwg. SI | Csg. Press. | 24 Hr. Rate → | Oil BBL | Gas MCF | Water BBL | Gas/Oil Ratio | Well Status | |

28c. Production - Interval D

| Date First Produced | Test Date | Hours Tested | Test Production → | Oil BBL | Gas MCF | Water BBL | Oil Gravity Corr. API | Gas Gravity | Production Method |
|---------------------|----------------------------|--------------|----------------------|---------|---------|-----------|--------------------------|-------------|-------------------|
| Choke Size | Tbg. Press. Flwg. SI | Csg. Press. | 24 Hr. Rate → | Oil BBL | Gas MCF | Water BBL | Gas/Oil Ratio | Well Status | |

29. Disposition of Gas (Sold, used for fuel, vented, etc.)

SOLD

30. Summary of Porous Zones (Include Aquifers):

Show all important zones of porosity and contents thereof: Cored intervals and all drill-stem tests, including depth interval tested, cushion used, time tool open, flowing and shut-in pressures and recoveries.

31. Formation (Log) Markers

| Formation | Top | Bottom | Descriptions, Contents, etc. | Name | Top |
|------------------|-------------|-------------|------------------------------|---------------------------|-------------|
| | | | | | Meas. Depth |
| Mesaverde | 6344 | 8137 | | Wasatch | 4175 |
| | | | | Chapita Wells | 4750 |
| | | | | Buck Canyon | 5400 |
| | | | | North Horn | 5867 |
| | | | | Island | 6008 |
| | | | | Upper Price River | 6071 |
| | | | | Middle Price River | 7050 |
| | | | | Lower Price River | 7757 |
| | | | | Sego | 8248 |

32. Additional remarks (include plugging procedure):

SEE ATTACHED SHEET.

33. Indicate which items have been attached by placing a check in the appropriate boxes:

- ☐ Electrical/Mechanical Logs (1 full set req'd.) ☐ Geologic Report ☐ DST Report ☐ Directional Survey
☐ Sundry Notice for plugging and cement verification ☐ Core Analysis ☐ Other:

34. I hereby certify that the foregoing and attached information is complete and correct as determined from all available records (see attached instructions)*

Name (please print) **Mary A. Maestas**Title **Regulatory Assistant**

Signature

*Mary A. Maestas*Date **09/26/2006**

Title 18 U.S.C. Section 1001 and Title 43 U.S.C. Section 1212, make it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

South Chapita 17-3 - ADDITIONAL REMARKS (CONTINUED):

26. PERFORATION RECORD

| | |
|-----------|-------|
| 6726-6918 | 2/spf |
| 6344-6657 | 3/spf |
| | |
| | |

27. ACID, FRACTURE TREATMENT, CEMENT SQUEEZE, ETC.

| | |
|-----------|--|
| 6726-6918 | 59,175 GALS GELLED WATER & 191,400# 20/40 SAND |
| 6344-6657 | 11,505 GALS GELLED WATER & 1200# 20/40 SAND |
| | |
| | |

Perforated the Lower Price River from 7924'-25', 7934'-35', 7992'-93', 8014'-15', 8044'-45', 8054'-56', 8066'-68', 8116'-18', 8128'-30' & 8136'-37' w/ 2 spf.

Perforated the Lower/Middle Price River from 7570'-71', 7591'-92', 7597'-98', 7617'-18', 7626'-27', 7641'-42', 7654'-55', 7659'-60', 7715'-16', 7779'-80', 7785'-86', 7808'-09', 7816'-17' & 7851'-52' w/ 2 spf.

Perforated the Middle Price River from 7251'-52', 7266'-68', 7282'-84', 7389'-90', 7404'-06', 7414'-15', 7461'-62', 7467'-68' & 7484'-85' w/ 3 spf.

Perforated the Middle/Upper Price River from 6985'-86', 7006'-08', 7016'-17', 7072'-73', 7088'-90', 7117'-18', 7162'-64', 7174'-76', 7196'-97' & 7202'-03' w/ 2 spf.

Perforated the Upper Price River from 6726'-27', 6738'-39', 6768'-69', 6775'-76', 6796'-97', 6808'-09', 6832'-34', 6846'-48', 6858'-60', 6896'-97' & 6917'-18' w/ 2 spf.

Perforated the Upper Price River from 6344'-46', 6358'-60', 6384'-85', 6438'-40', 6494'-95', 6564'-65', 6616'-17' & 6655'-57' w/ 3 spf.

43-047-36903



January 23, 2006

EOG Resources, Inc.
600 Seventeenth St., Ste. 1100 N
Denver, CO 80202
(303) 572-9000
Fax (303) 824-5400

Utah Division of Oil, Gas & Mining
1594 West North Temple
P.O. Box 145801
Salt Lake City, UT 84114-5801

RE: SC #17-03
T10S-R23E-Sec.3
Uintah, Utah

Gentlemen:

Enclosed herewith are the following logs and data associated with the subject well:

RST Sigma Log Temperature Log Gamma Ray Collar Log
Cement Bond Log Gamma Ray Collar Log

If you have any questions, please do not hesitate to contact me.

Very truly yours,

EOG RESOURCES, INC.

Delores Montoya
Exploration & Operations Senior Secretary
Denver Office

Enc.
Cc: Well File

RECEIVED
JAN 30 2007
DIV. OF OIL, GAS & MINING

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENTFORM APPROVED
OMB No. 1004-0137
Expires: March 31, 2007**SUNDRY NOTICES AND REPORTS ON WELLS**

Do not use this form for proposals to drill or to re-enter an abandoned well. Use Form 3160-3 (APD) for such proposals.

SUBMIT IN TRIPLICATE- Other instructions on reverse side.1. Type of Well
☐ Oil Well ☒ Gas Well ☐ Other2. Name of Operator **EOG RESOURCES, INC.**3a. Address
1060 East Highway 40 Vernal, UT 840783b. Phone No. (include area code)
435-781-9111

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)

**SECTION 3, T10S, R23E S.L.B.&M
2038 FNL 2099 FWL (SE/NW) 39.979647 LAT 109.314325 LON**5. Lease Serial No.
UTU 80613

6. If Indian, Allottee or Tribe Name

7. If Unit or CA/Agreement, Name and/or No.

8. Well Name and No.
SOUTH CHAPITA 17-39. API Well No.
43-047-3690310. Field and Pool, or Exploratory Area
NATURAL BUTTES11. County or Parish, State
UINTAH COUNTY, UTAH**12. CHECK APPROPRIATE BOX(ES) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA**

| TYPE OF SUBMISSION | TYPE OF ACTION | | | |
|--|---|---|--|---|
| <input checked="" type="checkbox"/> Notice of Intent | <input type="checkbox"/> Acidize | <input type="checkbox"/> Deepen | <input type="checkbox"/> Production (Start/Resume) | <input type="checkbox"/> Water Shut-Off |
| <input type="checkbox"/> Subsequent Report | <input type="checkbox"/> Alter Casing | <input type="checkbox"/> Fracture Treat | <input type="checkbox"/> Reclamation | <input type="checkbox"/> Well Integrity |
| <input type="checkbox"/> Final Abandonment Notice | <input type="checkbox"/> Casing Repair | <input type="checkbox"/> New Construction | <input type="checkbox"/> Recomplete | <input type="checkbox"/> Other |
| | <input type="checkbox"/> Change Plans | <input type="checkbox"/> Plug and Abandon | <input type="checkbox"/> Temporarily Abandon | |
| | <input type="checkbox"/> Convert to Injection | <input type="checkbox"/> Plug Back | <input checked="" type="checkbox"/> Water Disposal | |

13. Describe Proposed or Completed Operation (clearly state all pertinent details, including estimated starting date of any proposed work and approximate duration thereof. If the proposal is to deepen directionally or recompleate horizontally, give subsurface locations and measured and true vertical depths of all pertinent markers and zones. Attach the Bond under which the work will be performed or provide the Bond No. on file with BLM/BIA. Required subsequent reports shall be filed within 30 days following completion of the involved operations. If the operation results in a multiple completion or recompleation in a new interval, a Form 3160-4 shall be filed once testing has been completed. Final Abandonment Notices shall be filed only after all requirements, including reclamation, have been completed, and the operator has determined that the site is ready for final inspection.)

EOG Resources, Inc. requests authorization for disposal of produced water from the referenced well to any of the following locations.

- 1. Natural Buttes Unit 21-20B SWD.**
- 2. Ace Disposal**
- 3. RN Industries**
- 4. Chapita Wells Unit 550-30N SWD (ROW # UTU 84418)**

**Accepted by the
Utah Division of
Oil, Gas and Mining
FOR RECORD ONLY**

14. I hereby certify that the foregoing is true and correct
Name (Printed/Typed)**Kaylene R. Gardner**Title **Sr. Regulatory Assistant**

Signature

Date

04/02/2007**THIS SPACE FOR FEDERAL OR STATE OFFICE USE**

Approved by

Title

Date

Conditions of approval, if any, are attached. Approval of this notice does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon.

Office

Title 18 U.S.C. Section 1001 and Title 43 U.S.C. Section 1212, make it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

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(Instructions on page 2)

APR 05 2007**DIV. OF OIL, GAS & MINING**

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

FORM APPROVED
OMB NO. 1004-0135
Expires: July 31, 2010

SUNDRY NOTICES AND REPORTS ON WELLS
Do not use this form for proposals to drill or to re-enter an abandoned well. Use form 3160-3 (APD) for such proposals.

SUBMIT IN TRIPLICATE - Other instructions on reverse side.

| | | |
|---|---|--|
| 1. Type of Well <input type="checkbox"/> Oil Well <input checked="" type="checkbox"/> Gas Well <input type="checkbox"/> Other | | 5. Lease Serial No. UTU80613 |
| 2. Name of Operator EOG RESOURCES, INC. | | 6. If Indian, Allottee or Tribe Name |
| Contact: MARY A. MAESTAS E-Mail: mary_maestas@eogresources.com | | 7. If Unit or CA/Agreement, Name and/or No. |
| 3a. Address 600 17TH STREET SUITE 1000N DENVER, CO 80202 | 3b. Phone No. (include area code) Ph: 303-824-5526 Fx: 303-824-5527 | 8. Well Name and No. SOUTH CHAPITA 17-03 |
| 4. Location of Well (Footage, Sec., T., R., M., or Survey Description) Sec 3 T10S R23E SENW 2038FNL 2099FWL 39.97965 N Lat, 109.31433 W Lon | | 9. API Well No. 43-047-36903 |
| | | 10. Field and Pool, or Exploratory NATURAL BUTTES |
| | | 11. County or Parish, and State UINTAH COUNTY, UT |

12. CHECK APPROPRIATE BOX(ES) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

| TYPE OF SUBMISSION | TYPE OF ACTION | | | |
|---|---|---|--|---|
| <input type="checkbox"/> Notice of Intent | <input type="checkbox"/> Acidize | <input type="checkbox"/> Deepen | <input type="checkbox"/> Production (Start/Resume) | <input type="checkbox"/> Water Shut-Off |
| <input checked="" type="checkbox"/> Subsequent Report | <input type="checkbox"/> Alter Casing | <input type="checkbox"/> Fracture Treat | <input type="checkbox"/> Reclamation | <input type="checkbox"/> Well Integrity |
| <input type="checkbox"/> Final Abandonment Notice | <input type="checkbox"/> Casing Repair | <input type="checkbox"/> New Construction | <input type="checkbox"/> Recomplete | <input checked="" type="checkbox"/> Other |
| | <input type="checkbox"/> Change Plans | <input type="checkbox"/> Plug and Abandon | <input type="checkbox"/> Temporarily Abandon | |
| | <input type="checkbox"/> Convert to Injection | <input type="checkbox"/> Plug Back | <input type="checkbox"/> Water Disposal | |

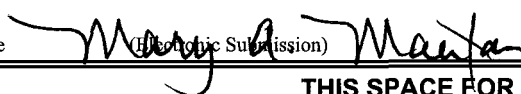
13. Describe Proposed or Completed Operation (clearly state all pertinent details, including estimated starting date of any proposed work and approximate duration thereof. If the proposal is to deepen directionally or recompleat horizontally, give subsurface locations and measured and true vertical depths of all pertinent markers and zones. Attach the Bond under which the work will be performed or provide the Bond No. on file with BLM/BIA. Required subsequent reports shall be filed within 30 days following completion of the involved operations. If the operation results in a multiple completion or recompleat in a new interval, a Form 3160-4 shall be filed once testing has been completed. Final Abandonment Notices shall be filed only after all requirements, including reclamation, have been completed, and the operator has determined that the site is ready for final inspection.)

The reserve pit on the referenced location was closed on 5/12/2009 as per the APD procedure.

Accepted by the
Utah Division of
Oil, Gas and Mining
FOR RECORD ONLY

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JUN 08 2009

DIV. OF OIL, GAS & MINING

| | | |
|--|----------------------------|------------|
| 14. I hereby certify that the foregoing is true and correct. Electronic Submission #70440 verified by the BLM Well Information System For EOG RESOURCES, INC., sent to the Vernal | | |
| Name (Printed/Typed) MARY A. MAESTAS | Title REGULATORY ASSISTANT | |
| Signature  (Electronic Submission) | Date 06/02/2009 | |
| THIS SPACE FOR FEDERAL OR STATE OFFICE USE | | |
| Approved By _____ | Title _____ | Date _____ |
| Conditions of approval, if any, are attached. Approval of this notice does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon. | | |
| Office _____ | | |
| Title 18 U.S.C. Section 1001 and Title 43 U.S.C. Section 1212, make it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction. | | |

**** OPERATOR-SUBMITTED ** OPERATOR-SUBMITTED ** OPERATOR-SUBMITTED ****

| | | | | | |
|---|--|--|---|--|--|
| STATE OF UTAH DEPARTMENT OF NATURAL RESOURCES DIVISION OF OIL, GAS, AND MINING | | FORM 9 | | | |
| SUNDRY NOTICES AND REPORTS ON WELLS Do not use this form for proposals to drill new wells, significantly deepen existing wells below current bottom-hole depth, reenter plugged wells, or to drill horizontal laterals. Use APPLICATION FOR PERMIT TO DRILL form for such proposals. | | 5. LEASE DESIGNATION AND SERIAL NUMBER: UTU-80613 | | | |
| 1. TYPE OF WELL Gas Well | | 6. IF INDIAN, ALLOTTEE OR TRIBE NAME: | | | |
| 2. NAME OF OPERATOR: EOG Resources, Inc. | | 7. UNIT or CA AGREEMENT NAME: | | | |
| 3. ADDRESS OF OPERATOR: 1060 East Highway 40 , Vernal, UT, 84078 | | 8. WELL NAME and NUMBER: S CHAPITA 17-3 | | | |
| 4. LOCATION OF WELL FOOTAGES AT SURFACE: 2038 FNL 2099 FWL QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: Qtr/Qtr: SENW Section: 03 Township: 10.0S Range: 23.0E Meridian: S | | 9. API NUMBER: 43047369030000 | | | |
| PHONE NUMBER: 435 781-9111 Ext | | 9. FIELD and POOL or WILDCAT: NATURAL BUTTES | | | |
| COUNTY: UINTAH | | STATE: UTAH | | | |
| 11. CHECK APPROPRIATE BOXES TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA | | | | | |
| TYPE OF SUBMISSION | TYPE OF ACTION | | | | |
| <input checked="" type="checkbox"/> NOTICE OF INTENT Approximate date work will start: 11/24/2009 <input type="checkbox"/> SUBSEQUENT REPORT Date of Work Completion: <input type="checkbox"/> SPUD REPORT Date of Spud: <input type="checkbox"/> DRILLING REPORT Report Date: | <table style="width: 100%; border: none;"> <tr> <td style="width: 33%; vertical-align: top;"> <input type="checkbox"/> ACIDIZE <input type="checkbox"/> CHANGE TO PREVIOUS PLANS <input type="checkbox"/> CHANGE WELL STATUS <input type="checkbox"/> DEEPEN <input type="checkbox"/> OPERATOR CHANGE <input type="checkbox"/> PRODUCTION START OR RESUME <input type="checkbox"/> REPERFORATE CURRENT FORMATION <input type="checkbox"/> TUBING REPAIR <input type="checkbox"/> WATER SHUTOFF <input type="checkbox"/> WILDCAT WELL DETERMINATION </td> <td style="width: 33%; vertical-align: top;"> <input type="checkbox"/> ALTER CASING <input type="checkbox"/> CHANGE TUBING <input type="checkbox"/> COMMINGLE PRODUCING FORMATIONS <input type="checkbox"/> FRACTURE TREAT <input type="checkbox"/> PLUG AND ABANDON <input checked="" type="checkbox"/> RECLAMATION OF WELL SITE <input type="checkbox"/> SIDETRACK TO REPAIR WELL <input type="checkbox"/> VENT OR FLARE <input type="checkbox"/> SI TA STATUS EXTENSION <input type="checkbox"/> OTHER </td> <td style="width: 33%; vertical-align: top;"> <input type="checkbox"/> CASING REPAIR <input type="checkbox"/> CHANGE WELL NAME <input type="checkbox"/> CONVERT WELL TYPE <input type="checkbox"/> NEW CONSTRUCTION <input type="checkbox"/> PLUG BACK <input type="checkbox"/> RECOMPLETE DIFFERENT FORMATION <input type="checkbox"/> TEMPORARY ABANDON <input type="checkbox"/> WATER DISPOSAL <input type="checkbox"/> APD EXTENSION OTHER: _____ </td> </tr> </table> | | <input type="checkbox"/> ACIDIZE <input type="checkbox"/> CHANGE TO PREVIOUS PLANS <input type="checkbox"/> CHANGE WELL STATUS <input type="checkbox"/> DEEPEN <input type="checkbox"/> OPERATOR CHANGE <input type="checkbox"/> PRODUCTION START OR RESUME <input type="checkbox"/> REPERFORATE CURRENT FORMATION <input type="checkbox"/> TUBING REPAIR <input type="checkbox"/> WATER SHUTOFF <input type="checkbox"/> WILDCAT WELL DETERMINATION | <input type="checkbox"/> ALTER CASING <input type="checkbox"/> CHANGE TUBING <input type="checkbox"/> COMMINGLE PRODUCING FORMATIONS <input type="checkbox"/> FRACTURE TREAT <input type="checkbox"/> PLUG AND ABANDON <input checked="" type="checkbox"/> RECLAMATION OF WELL SITE <input type="checkbox"/> SIDETRACK TO REPAIR WELL <input type="checkbox"/> VENT OR FLARE <input type="checkbox"/> SI TA STATUS EXTENSION <input type="checkbox"/> OTHER | <input type="checkbox"/> CASING REPAIR <input type="checkbox"/> CHANGE WELL NAME <input type="checkbox"/> CONVERT WELL TYPE <input type="checkbox"/> NEW CONSTRUCTION <input type="checkbox"/> PLUG BACK <input type="checkbox"/> RECOMPLETE DIFFERENT FORMATION <input type="checkbox"/> TEMPORARY ABANDON <input type="checkbox"/> WATER DISPOSAL <input type="checkbox"/> APD EXTENSION OTHER: _____ |
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| 12. DESCRIBE PROPOSED OR COMPLETED OPERATIONS. Clearly show all pertinent details including dates, depths, volumes, etc. EOG Resources, Inc. respectfully requests authorization to use the attached well specific Interim Reclamation Plan. | | | | | |
| Accepted by the Utah Division of Oil, Gas and Mining FOR RECORD ONLY November 23, 2009 | | | | | |
| NAME (PLEASE PRINT) Mickenzie Gates | PHONE NUMBER 435 781-9145 | TITLE Operations Clerk | | | |
| SIGNATURE N/A | DATE 11/24/2009 | | | | |



Conservation Seeding & Restoration, Inc.

EOG Resources, Inc., Vernal, UT Interim Reclamation Plan

September 25, 2009

Location: South Chapita 17-3
Uintah County, Utah
Section 3, Township 10S, Range 23E

**2009
Reclamation
Actions:**

Annual Reclamation Monitoring:

On 30 July 2009, South Chapita 17-3 was monitored to assess reclamation conditions. At the time of monitoring there was no vegetation established in the designated restoration areas. During monitoring one close-up picture of the soil surface and four landscape pictures were taken (Appendix I).

GPS Monitoring:

During annual monitoring GPS data was collected to measure the initial, reclamation, and road disturbance areas. The initial and reclamation area for South Chapita 17-3 pad is 2.25 and 1.20 acres, respectively. The road disturbance is 0.14 acres. The total disturbance area for this facility is 3.17 acres (Appendix II).

Weed Control:

Halogeton (*Halogeton glomeratus*) was controlled with a broadleaf herbicide 2,4-D (2,4-D low volatility ester) in the reclamation and long-term disturbance and along the access road on 20 July 2009. The table below shows the area and amount of 2,4-D herbicide that was applied.

Table 1. Halogeton was controlled on South Chapita 17-3 using 2,4-D Herbicide. The total acres treated was 0.68.

| Area | Gallons (2,4-D Herbicide) | Acres |
|--------------|------------------------------|-------------|
| Reclamation | 10 | 0.20 |
| Long-term | 11 | 0.22 |
| Road | 13 | 0.26 |
| TOTAL | 34 | 0.68 |

Re-Vegetation Plan

**2009
Reclamation
Plan:**

Seedbed Preparation:

At the time of monitoring the reclamation area had a rocky surface. Soils were compacted and had a grey color. In an effort to reduce high pH and salts (which is common in the area) the seedbed surface will be amended with sulfur and gypsum. The application rate will be 200 and 1000 lbs per acre, respectively. In addition a liquid mixture of humic and fulvic acids and tea compost extract will be applied to the soil surface around the time of fall seeding.

Re-vegetation:

The interim reclamation area (1.20) will be seeded with an interim seed mix (Table 2). Seeding of the reclamation area will occur in late fall when the soil temperatures are consistently below 55°F. This is to prevent seed from germinating before the spring growing season. The seed mix that will be used was designed specifically for the vegetation present in the adjacent community.

Table 2. The reclamation area for South Chapita 17-3 will be re-vegetated with the Interim Sagebrush Seed Mix. The application rate of each species is measured by pounds of pure live seeds per acre (PLS lbs/ac.)

| Interim Sagebrush Seed Mix | | |
|-------------------------------|----------------------------|--------------|
| Species | Common Name | PLS lbs/acre |
| <i>Achnatherum hymenoides</i> | Indian ricegrass | 5.0 |
| <i>Cleome serrulata</i> | Rocky mountain bee plant | 1.50 |
| <i>Elymus elymoides</i> | squirreltail | 1.50 |
| <i>Elymus lanceolatus</i> | thickspike wheatgrass | 2.00 |
| <i>Plueraphis jamesii</i> | James' galleta | 5.0 |
| <i>Poa secunda</i> | Sandberg bluegrass | 2.0 |
| | Total PLS lbs/acre: | 17.0 |

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Future Reclamation Plan

Monitoring Beginning in 2010, effectiveness monitoring will be carried out to assess if implemented reclamation activities have advanced restoration toward reclamation goals and objectives. Additionally monitoring data will be used to assess compliance with the reclamation plan objectives stated in the GRD Reclamation Guidelines on an annual basis. An annual reclamation report containing monitoring data, reclamation activities taken, and compliance with the reclamation objectives will be submitted to the Authorized Officer.

The spring after fall seeding a subsequent application of liquid organic mixture with the inclusion of fish emulsion will be applied to the seeded area to provide a further boost for soil microbes and nutrients needed for plant growth. Further applications of a liquid organic soil amendment will be based on observations made during annual monitoring and/or results from a soil analysis.

Control of Undesirable Species *Interim reclamation area*
A broadleaf herbicide will be used to control noxious weeds and other undesirable species such as halogeton (*Halogeton glomeratus*). Spraying of herbicide will begin in late spring when target weeds are large enough to be effectively killed and/or seed production stymied. Application of herbicide will continue as needed until late summer before plants are able to set viable seed.

Final reclamation area
Undesirable and noxious species will be controlled in the final reclamation area. As a safety precaution a biannual pre-emergent herbicide will be applied as 10-15 foot weed free buffer zone around well infrastructure. If weeds emerge between dragging and pre-emergent herbicide treatments, a broadleaf herbicide will be applied to control weed occurrences across the entire final reclamation area.

Reclamation Action Plan This well reclamation plan is designed to provide a course of action to stabilize soils, build soil biota, and restore temporary wildlife habitat and forage during the interim period between well construction and plug and abandonment. The reclamation plan provides a building block for restoring properly functioning self-perpetuating diverse native plant community. In subsequent years, reclamation activities will focus on vegetation recruitment and the development of a diverse plant community. Reclamation activities will continue until a location has reached the reclamation objectives as stated by the GRD Reclamation Guidelines.

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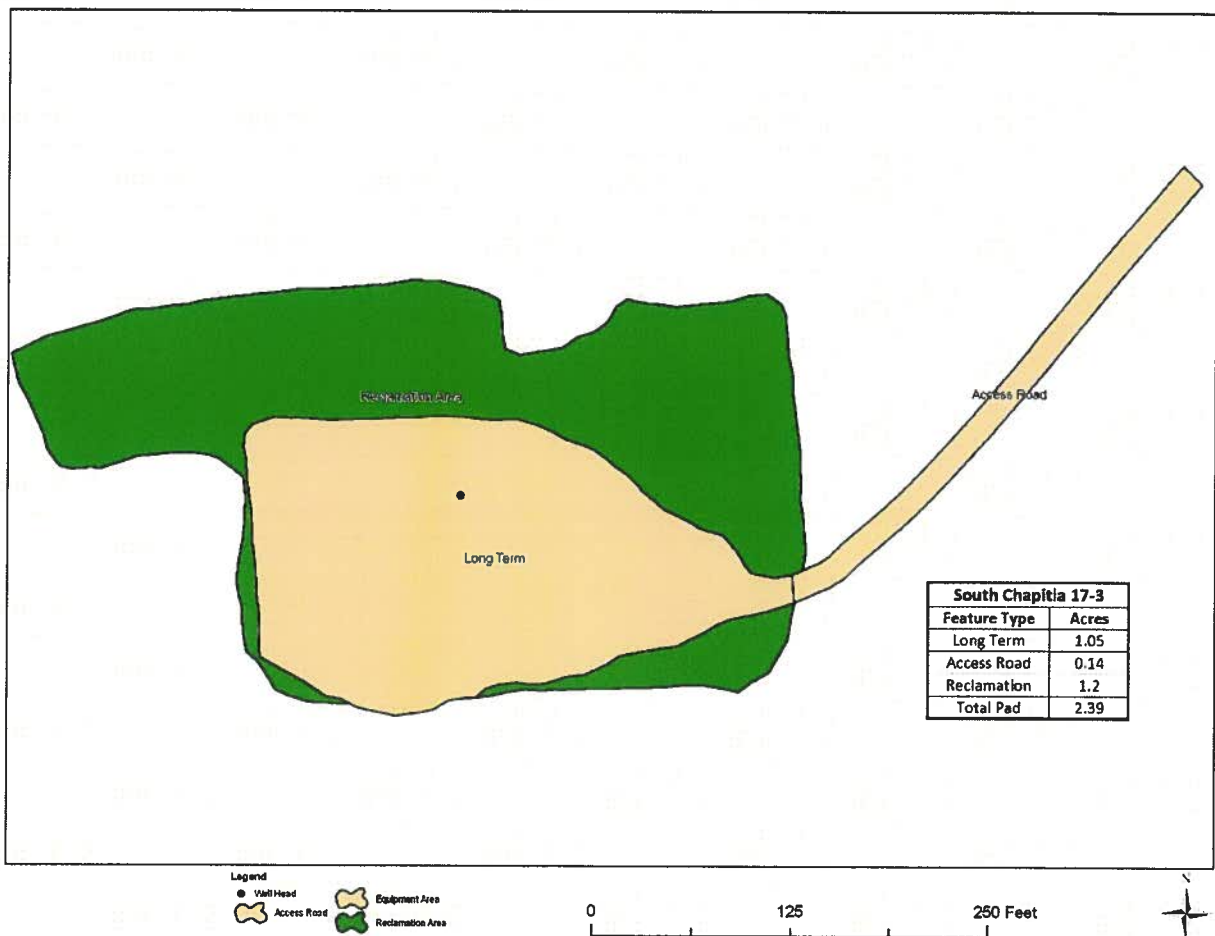
Appendix I:

Pictures were taken at South Chapita 17-3 during annual monitoring on 30 July 2009. The pictures were taken 20 meters south of the well head.



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Appendix II:



| | | |
|--|---|--|
| STATE OF UTAH DEPARTMENT OF NATURAL RESOURCES DIVISION OF OIL, GAS, AND MINING | | FORM 9 |
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| 1. TYPE OF WELL Gas Well | | 6. IF INDIAN, ALLOTTEE OR TRIBE NAME: |
| 2. NAME OF OPERATOR: EOG Resources, Inc. | | 7. UNIT or CA AGREEMENT NAME: |
| 3. ADDRESS OF OPERATOR: 1060 East Highway 40 , Vernal, UT, 84078 | | 8. WELL NAME and NUMBER: S CHAPITA 17-3 |
| 4. LOCATION OF WELL FOOTAGES AT SURFACE: 2038 FNL 2099 FWL QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: Qtr/Qtr: SENW Section: 03 Township: 10.0S Range: 23.0E Meridian: S | | 9. API NUMBER: 43047369030000 |
| PHONE NUMBER: 435 781-9111 Ext | | 9. FIELD and POOL or WILDCAT: NATURAL BUTTES |
| COUNTY: UINTAH | | STATE: UTAH |
| 11. CHECK APPROPRIATE BOXES TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA | | |
| TYPE OF SUBMISSION | TYPE OF ACTION | |
| <input checked="" type="checkbox"/> NOTICE OF INTENT Approximate date work will start: 12/22/2009 <input type="checkbox"/> SUBSEQUENT REPORT Date of Work Completion: <input type="checkbox"/> SPUD REPORT Date of Spud: <input type="checkbox"/> DRILLING REPORT Report Date: | <div style="display: flex; flex-wrap: wrap;"> <div style="width: 33%;"> <input type="checkbox"/> ACIDIZE <input type="checkbox"/> CHANGE TO PREVIOUS PLANS <input type="checkbox"/> CHANGE WELL STATUS <input type="checkbox"/> DEEPEN <input type="checkbox"/> OPERATOR CHANGE <input type="checkbox"/> PRODUCTION START OR RESUME <input type="checkbox"/> REPERFORATE CURRENT FORMATION <input type="checkbox"/> TUBING REPAIR <input type="checkbox"/> WATER SHUTOFF <input type="checkbox"/> WILDCAT WELL DETERMINATION </div> <div style="width: 33%;"> <input type="checkbox"/> ALTER CASING <input type="checkbox"/> CHANGE TUBING <input type="checkbox"/> COMMINGLE PRODUCING FORMATIONS <input type="checkbox"/> FRACTURE TREAT <input type="checkbox"/> PLUG AND ABANDON <input type="checkbox"/> RECLAMATION OF WELL SITE <input type="checkbox"/> SIDETRACK TO REPAIR WELL <input type="checkbox"/> VENT OR FLARE <input type="checkbox"/> SI TA STATUS EXTENSION <input type="checkbox"/> OTHER </div> <div style="width: 33%;"> <input type="checkbox"/> CASING REPAIR <input type="checkbox"/> CHANGE WELL NAME <input type="checkbox"/> CONVERT WELL TYPE <input type="checkbox"/> NEW CONSTRUCTION <input type="checkbox"/> PLUG BACK <input checked="" type="checkbox"/> RECOMPLETE DIFFERENT FORMATION <input type="checkbox"/> TEMPORARY ABANDON <input type="checkbox"/> WATER DISPOSAL <input type="checkbox"/> APD EXTENSION OTHER: _____ </div> </div> | |
| 12. DESCRIBE PROPOSED OR COMPLETED OPERATIONS. Clearly show all pertinent details including dates, depths, volumes, etc. EOG Resources, Inc. respectfully requests authorization to Recomplete the referenced well as per the attached procedure. | | |
| <div style="text-align: right;"> Accepted by the Utah Division of Oil, Gas and Mining </div> | | Date: <u>December 28, 2009</u> By: <u><i>Dan K. Quist</i></u> |
| NAME (PLEASE PRINT) Mickenzie Gates | PHONE NUMBER 435 781-9145 | TITLE Operations Clerk |
| SIGNATURE N/A | | DATE 12/22/2009 |

**RECOMPLETION PROGRAM
SCW 17-03**

SCW 17-03
2,038' FNL & 2,099' FWL (SE/NW)
Section 3, T10S, R23E
Uintah County, Utah
Lat 39.979647 Long -109.314325 (NAD 27)

December 17, 2009
EOG BPO WI: 100.00%
EOG BPO NRI: 87.50%
API# 43-047-36903
AFE# 302722

WELL DATA:

| | | | |
|--------------|-----------|-------|-----------------------|
| ELEVATION: | 5,380' GL | KB: | 5,399' (19' KB) |
| TOTAL DEPTH: | 8,315' KB | PBTD: | 8,260' KB (Top of FC) |

CASING: 9-5/8", 36#, J-55 STC set @ 1,922'. Cemented w/200 sx Class G. Float held. Bumped plug. No returns. Top out w/725 sx Poz "G" cmt in 3 stages. Cmt to surface.

4-1/2", 11.6#, N-80 set @ 8,303'. Cemented w/265 sx Pozmix HiLift Class "G" & 1,365 sx 50/50 Pozmix "G". Bumped plug, float held. Returns throughout job. Marker joints (tops) @ 6,045-67' (22') and 3,820-42' (22'). Cement Top est. @ 1,717'.

| EXISTING PERFS | SPF/Phasing | INTERVAL | FRAC # |
|---|-------------|----------------------------------|--------|
| 7924-25' , 7934-35' , 7992-93' , 8014-15' , 8044-45' , 8054-56' , 8066-68' , 8116-18' , 8128-30' , 8136-37' | 2/180° | Lower Price River | 1 |
| 7570-71' , 7591-92' , 7597-98' , 7617-18' , 7626-27' , 7641-42' , 7654-55' , 7659-60' , 7715-16' , 7779-80' , 7785-86' , 7808-09' , 7816-17' , 7851-52' | 2/180° | Lower / Middle Price River | 2 |
| 7251-52' , 7266-68' , 7282-84' , 7389-90' , 7404-06' , 7414-15' , 7461-62' , 7467-68' , 7484-85' | 3/120° | Middle Price River | 3 |
| 6985-86' , 7006-08' , 7016-17' , 7072-73' , 7088-90' , 7117-18' , 7162-64' , 7174-76' , 7196-97' , 7202-03' | 2/180° | Middle / Upper Price River | 4 |
| 6726-27' , 6738-39' , 6768-69' , 6775-76' , 6796-97' , 6808-09' , 6832-34' , 6846-48' , 6858-60' , 6896-97' , 6917-18' | 2/180° | Upper Price River | 5 |
| 6344-46' , 6358-60' , 6384-85' , 6438-40' , 6494-95' , 6564-65' , 6616-17' , 6655-57' | 3/120° | Upper Price River | 6 |

| PROPOSED PERFS | SPF/Phasing | INTERVAL | FRAC # |
|--|-------------|----------------------|--------|
| 6124-6125', 6127-6128', 6155-6156', 6165-6166', 6170-6171', 6176-6177', 6202-6203', 6213-6214', 6258-6259', 6262-6263', 6269-6270', 6285-6286', 6290-6291', 6294-6295' | 2/180° | Upper Price River | 7 |
| 5940-5941', 5946-5947', 5963-5964', 5984-5985', 5988-5989', 5993-5994', 5999-6000', 6028-6029', 6046-6047', 6052-6053', 6078-6079', 6083-6084', 6087-6088' | 2/180° | North Horn | 8 |

RECOMPLETION PROGRAM SCW 17-03

| | | | |
|--|--------|-------|----|
| 5616-5617', 5624-5625', 5636-5637', 5723-5724', 5740-5741', 5778-5779', 5781-5782', 5824-5825', 5828-5829', 5840-5841', 5850-5851', 5863-5864', 5872-5873', 5879-5880' | 2/180° | Ba | 9 |
| 5186-5187', 5242-5244', 5264-5265', 5268-5270', 5272-5273', 5430-5431', 5443-5444', 5488-5489', 5513-5514', 5532-5533', 5539-5540' | 2/180° | Ca/Ba | 10 |

PROCEDURE:

1. MIRUSU. Kill well w/treated water. ND tree. NU 10M psig BOPE. PU 3-7/8" bit, 4-1/2" casing scraper, & 2-3/8" 4.7# N-80 EUE tubing. RIH to PBTD. POH.
2. RUWL. Set RBP @ **6,250'±**. RDWL. Test casing & BOPE to **6,500** psig.
3. RIH w/ tubing and retrieve RBP.
4. RUWL. Set Weatherford 10K composite frac plug @ **6,685'±**. RDWL.
5. RU Service Company. Frac down casing per attached procedure. RD Service Company.
6. RUWL. Set Weatherford 10K composite frac plug @ **6,320'±**. Perforate **Upper Price River** intervals from **6,124'-6,295'** as shown. RDWL.
7. RU Service Company. Frac down casing per attached procedure. RD Service Company.
8. RUWL. Set Weatherford 10K composite frac plug @ **6,105'±**. Perforate **North Horn** intervals from **5,940'-6,088'** as shown. RDWL.
9. RU Service Company. Frac down casing per attached procedure. RD Service Company.
10. RUWL. Set Weatherford 10K composite frac plug @ **5,905'±**. Perforate **Ba** intervals from **5,616'-5,880'** as shown. RDWL.
11. RU Service Company. Frac down casing per attached procedure. RD Service Company.
12. RUWL. Set Weatherford 10K composite frac plug @ **5,560'±**. Perforate **Ca/Ba** intervals from **5,186'-5,540'** as shown. RDWL.
13. RU Service Company. Frac down casing per attached procedure. RD Service Company. Flow back immediately (if required, set a composite bridge plug at **5,080'±**). Following flowback, RIH w/3-7/8" bit & pump off sub. Drill out composite frac plugs. Clean out to PBTD. Land tubing @ **6,600'**. ND BOPE. NU 10M psig tree. Drop ball. Pump off bit & sub. Swab/flow test.
14. RDMOSU. Place well on production.

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